

**REPUBLIC OF CYPRUS  
PLANNING BUREAU**

**COMMUNITY INITIATIVE PROGRAMME (CIP)**

**“EQUAL”**

**April 2004**

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# **1. INTRODUCTION**

## **1.1. AN ACCOUNT OF THE PROCESS OF PROGRAMMING**

In Cyprus, there is a long experience regarding partnership and consultation procedures both during the preparation of the previous medium-term and short-term programmes, e.g. five-year Strategic Development Plans and annual Development Budgets, but also during their implementation. More specifically, it is noted that during the initial stages of the preparation of the Strategic Development Plans, which were prepared on a five-year basis, the suggestions of all public bodies, local authorities, social and economic partners and other non-governmental organisations were requested. These suggestions were initially submitted in writing and individual separate meetings followed. Before the completion of each Strategic Development Plan a meeting of the Economic Consultative Committee, members of which are all the social and economic partners, was also summoned for exchange of final opinions on the Plan.

### **1.1.1. The Consultation Process**

During the preparation of the new Strategic Development Plan 2004-2006, as well as of the Community Initiative Programme (CIP) for EQUAL an extensive procedure of consultation with all partners was followed. The procedure of consultation coordinated by the Planning Bureau, the responsible Programming Authority, according to relevant decision of the Council of Ministers, has addressed three categories of partners:

- The government Ministries and Departments, the semi-governmental organizations and the local authorities;
- The economic and social partners as well as non-governmental organizations;
- The relevant Directorates-General of the European Commission.

The first stage of the procedure of consultation with the partners involved was an initial briefing regarding the programming procedure that would be followed for the preparation of programming documents. Within this framework, apart from a seminar organised by the Directorate-General for Regional Policy in March 2002 in Larnaca, three additional seminars were organised in the period May – June 2002. In these seminars, the following issues were covered: the programming procedure, the structure of the Strategic Development Plan 2004-2006, the programming documents that will be submitted to the European Commission, the eligibility of operations, as well as the composition of the Monitoring Committees after accession.

A circular followed this initial briefing, from the Planning Bureau, requesting all partners (see analytical list in **Annex A**) to submit suggestions regarding both the Strategic Development Plan 2004–2006 and the programming documents that will be submitted to the European Commission. In the circular provided, a time frame of approximately 2 months for submission of suggestions was set.

In order to further facilitate both inter-ministerial coordination and consultation with all partners involved, in accordance to the decision of the Council of Ministers (Decision No. 55.523 dated 24 April 2002), the following two Committees were formed: (1) the Programming Committee, which is chaired by the Permanent Secretary of the Planning Bureau, and composed of the Permanent Secretaries of the Ministries of Interior, Labour and Social Insurance, Agriculture, Natural Resources and Environment, and Trade, Industry and Tourism; and (2) the Consultative Committee for Programming which is composed apart from the bodies of the broader public sector, by local authorities, social and economic partners as well as non-governmental organisations (NGO). The complete composition of the Consultative Committee is presented in **Annex B**.

After receiving all the proposals from the institutions involved and after the first screening by the Planning Bureau, a Technical Drafting Committee for the EQUAL SPD was formed. A high official of the Planning Bureau chairs the Technical Drafting Committee and its permanent members are

representatives from the Ministry of Labour and Social Insurance, The Ministry of Education and Culture, the Ministry of Justice and Public Order, and the Human Resource Development Authority. Depending on the issues discussed at each meeting, representatives from the Ministry of Interior and other relevant government services also participated. The Technical Drafting Committee discussed and submitted comments and remarks for both the proposed thematic fields and for the preliminary drafts of the Single Programming Document.

## **1.2. PERIOD OF COVERAGE OF THIS PROGRAMME**

The starting date of this Programme is the 1<sup>st</sup> of January of 2004 and the end date for eligibility of expenditure is the 31<sup>st</sup> of December 2008.

## **1.3. GEOGRAPHICAL COVERAGE OF THIS PROGRAMME**

This Programme covers the area that is under the control of the government of the Republic of Cyprus.



## **2. THE LABOUR MARKET**

### **2.1. MACROECONOMIC FRAMEWORK**

#### 2.1.1. Economic Developments and Medium Term Forecasts

##### Economic Developments 1998-2002

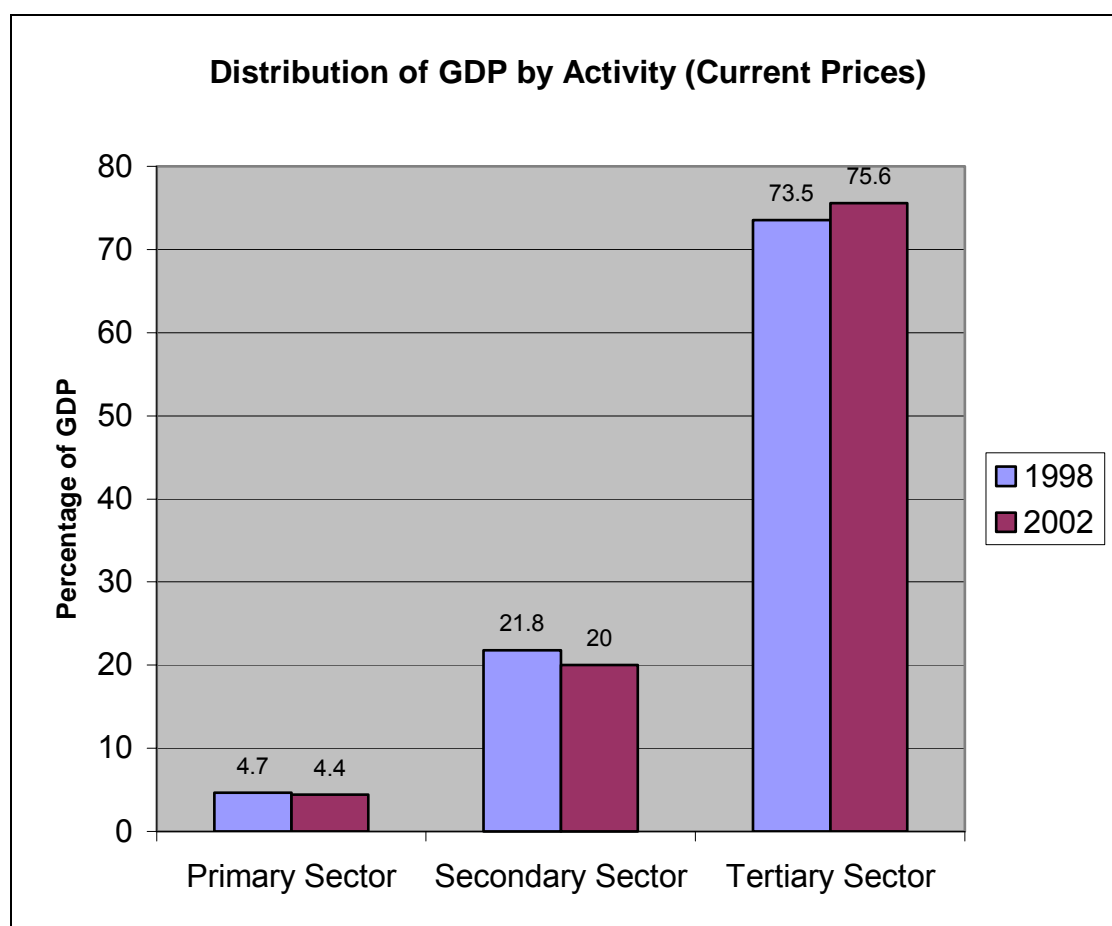
The Cypriot economy is a small, robust and fairly flexible economy that proved highly responsive to rapidly changing circumstances. The Cypriot economy is characterised by a satisfactory rate of growth (the average annual rate of growth of GDP was 5,2%, in real terms, over the period 1961-2002), full employment conditions and internal and external macroeconomic stability. As a result, Cyprus has achieved a remarkable level of real convergence with advanced economies, with a per capita GDP in 2002 standing at 76% of the EU average (in purchasing power standards), which exceeds that of Greece and Portugal.

Despite the slowdown observed in 2001 and particularly in 2002, due to the worsening of the external environment, the average annual rate of growth for the period 1998-2002 was 4,1%, under conditions of macroeconomic stability and full employment.

From the demand side, the main engines of growth were private consumption, which expanded at an annual average rate of 5,3%, followed by the external demand, which increased at a contained rate of 2,6%, due to the decline in tourism demand in 2002. The latter was caused by the unfavourable external environment that was created largely as a result of the September 11 events in the USA, as well as the further deceleration of the global economy, and the economies of Cyprus' trading partners. With the exception of 2002, external demand expanded – in real terms – at a satisfactory average annual rate of growth of 4,7% for the period 1998-2001. Gross fixed capital formation

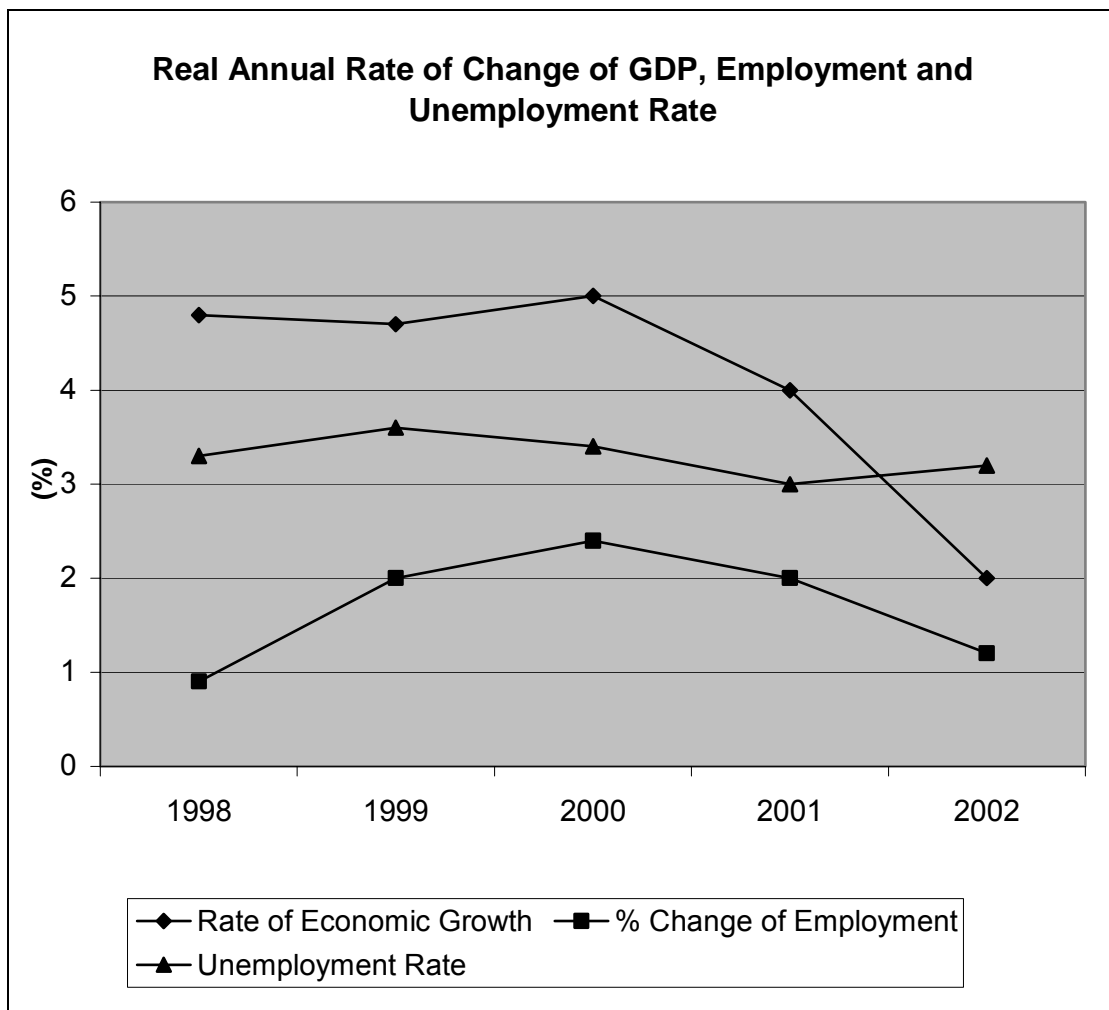
increased at an average annual rate of 4,7% in real terms (3,1% if aircraft purchases are excluded).

From the supply side, the growth observed originated from the tertiary sectors of services. The most dynamic performers were telecommunications, financial services, other business services and, to a lesser extent, hotels and restaurants, expanding their share to GDP. By contrast, the share of the manufacturing sector to GDP continued to fall. This is mainly due to the liberalisation of imports and to the chronic problems of competitiveness faced by certain traditional manufacturing sub-sectors. The share of agriculture to GDP remained stable in this five-year period.



The satisfactory growth that the Cyprus economy exhibited during the period 1998-2002 was reflected in the labour market. More specifically, employment

grew at an average annual rate of 1,7% during the five year period (1998-2002), with a fall in the primary and secondary sectors and a significant increase in the services sectors. The unemployment rate remained low, averaging 3,3% of the economically active population. There were labour shortages, particularly of unskilled and semi-skilled workers, which were satisfied by foreign labour. The latter's share to the total gainfully employed population exceeded 10% in 2002.



The relatively high rate of economic growth was accompanied by a satisfactory improvement in labour productivity, averaging 2,3% over the period 1998-2002. Despite the full employment conditions that prevailed, real

wage increases were relatively modest (2,7%) and comparable to the increase in productivity.

Conditions of price stability prevailed over the period 1998-2002, with the annual inflation rate averaging 2,6%. The pegging of the Cyprus pound first to the ECU and as from 1.1.1999 to the euro, the liberalisation of trade, and consequently the creation of conditions of increased competition in the domestic market, the implementation of the fiscal consolidation programme as from mid 1999 and the relatively restrained rate of wage increases, were the main factors contributing to the maintenance of the inflation rate at low levels.

Mainly as a result of the implementation of the fiscal consolidation programme, the fiscal deficit dropped from 4,9% of GDP in 1998 to 3% in 2001, and increased to 3,5% in 2002. Additional factors contributing to the containment of the fiscal deficit included the country's rapid economic growth, and the improvement in the tax-collecting capacity of the competent government departments, which contributed to the expansion of revenues from direct and indirect taxation. The slowdown of economic growth particularly in 2002, in conjunction with higher defence expenditure, prevented further improvements in the fiscal situation thus diverging from the targets set.

<b>Fiscal Deficit and Inflation Rate</b>					
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>Fiscal Deficit as a % of GDP</b>	-4,9	-4,5	-3,1	-3,0	-3,5
<b>Inflation Rate</b>	2,2	1,7	4,1	2,0	2,8

The current account deficit also declined significantly from 5,6% of GDP in 1998 to 1,1% in 1999. Despite the satisfactory performance of the tourism sector and other export services, the current account deficit increased to 3,4% of GDP in 2000, mainly as a result of the increase in the price of oil in international markets. This deficit widened further in 2002, reaching 5,3% of GDP (or 4,8% if the purchase of aircraft by Cyprus Airways is excluded), a

development that is attributed almost entirely to the significant drop in tourist flows to Cyprus.

The monetary policy followed in the past five years was designed to preserve price stability and to support economic growth. Monetary developments in this period were marked by the liberalisation of interest rates as of 1.1.2001 and the simultaneous liberalisation of medium and long-term borrowing in foreign currencies. Another characteristic of the monetary developments during 2001 and 2002 were the consecutive cuts in the base rates by the Central Bank.

The first reduction in interest rates was accompanied by the Central Bank's Board decision to abandon the "narrow band" of fluctuation of the Cyprus pound against the Euro (2,25% on either side of the central rate) and to adopt the wider margin of  $\pm 15\%$ , aiming at increasing flexibility in monetary policy and signalling the exchange rate risks entailed in foreign currency borrowing.

### Estimate for 2003

The rate of growth of Cyprus economy is estimated at around 2% in 2003 mainly due to the containment of tourist demand, which was negatively influenced by the war in Iraq and the delayed recovery of economic activity in the main tourist markets of Cyprus.

The low rate of economic growth for the second consecutive year is reflected in the labour market with a small increase of the registered unemployment rate from 3,2% in 2002 to 3,5% in 2003 (LFS: 3,3% in 2002 to 4,1% in 2003).

The rate of inflation fluctuated at around 4,1% in 2003, due to the consequences of the increase of VAT rate and the consumption taxes mainly on petroleum products.

The deficit of the current account balance, as percentage of GDP, is estimated that it has been retained to around 4,5% of GDP, despite the

expected further reduction of receipts from tourism, due to the anticipated bigger decrease of imports in absolute terms. Finally, the fiscal deficit as percentage of GDP is estimated to fluctuate around 6% of GDP.

### Medium Term Forecast 2004-06

The Cyprus economy is anticipated to exhibit an annual rate of growth of 4,4% in the period 2004-06, in line with its production potential. The envisaged growth will safeguard conditions of full employment under conditions of internal and external macroeconomic stability.

From the demand side the main source of the revival of growth over the period 2004-06 is the projected more rapid growth of exports. Real exports of goods and services are forecast to rise by around 6% per annum over the period 2004-06, whereas the real domestic demand is forecast to rise at an annual average rate of 3,3% over this period. The faster growth of external demand is expected to result from the envisaged improvement of the external environment and the maintenance of the competitiveness of the Cypriot goods and services as well as an improvement of the quality of the tourist product and the expected further enhancement of the outward orientation of the private services sectors beyond tourism.

The growth of real capital formation is forecast to contribute to busting the medium term growth potential, with fixed investment projected to grow by about 6,5% per annum during the 2004-06 period. In contrast, the rates of increase of public and private consumption are expected to moderate.

From the sectoral point of view, the private tertiary sectors will be the main engine of growth given that the comparative advantages of Cyprus tend to favour the development of the services sectors. The share of the services sectors is anticipated to grow further and reach 76,8% by 2006 as compared with 75,6% in 2002, whereas the share of the both the primary and the secondary sectors will correspondingly decline from 4,4% and 20% to 4,2%

and 19% respectively. Within the services sectors, there is expected to be continuing restructuring and diversification, with an increase shift towards export-oriented private services such as communications, finance, business services, education and health, benefiting from the abolition of all restrictions on direct and portfolio investments, the removal of impediments to free market access in the utility sectors and the utilisation of the comparative advantages of Cyprus. With this diversification and restructuring of services, the share of the sectors of restaurants and hotels to GDP is expected to show a small decrease.

The changes in the structure of production are expected to be reflected in corresponding changes in employment, with the share of the tertiary services sectors to total gainful employment rising from 70,8% in 2002 to around 72% in the year 2006 and the share of the primary and secondary sectors falling from 8% and 21,2% to about 7,5% and 20,5% respectively. The forecast rate of growth is expected to lead to the creation of additional employment opportunities, almost exclusively the tertiary sectors and mainly in the private services sectors, thus contributing positively to the prevalence of conditions of full employment and a containment of the rate of registered unemployment to around 3% of the economically active population in the period up to 2006.

The current account deficit is expected to exhibit a downward trend, declining from a deficit of 5,3% of GDP in the year 2002 to a moderate deficit of 1,5% of GDP in the year 2006.

The rate of inflation is expected to fluctuate at around 2,0-2,5% during the period 2004-06.

The fiscal deficit is expected to decrease to 2,2% of GDP in 2006 in line with the revised fiscal consolidation programme.

## 2.1.2. The Labour Market: Employment, Unemployment, Skills and Performance

### Labour force

The **total population**<sup>1</sup> reached 679,3 thousand persons in 2002, exhibiting a small increase by about 6,3 thousand persons compared with 2001 (673 thousand persons). The **total population of working age** (15-64 years) reached 447,5 thousand persons or 65,9% of the total population. The increase of working age population, in comparison to 2001, is estimated at 3,7 thousand persons.

The **labour force participation rates**<sup>2</sup> range at high levels and in the recent years they exhibit an increasing trend. The total labour force (15-64 years) participation rate was at 70,9% in 2002, exhibiting a marginal increase of 0,1 % compared with 2001. From the **three age groups** (young people, persons 25-54, and the elderly), the persons of 25-54 years exhibit the highest participation rates (84,6%), the young persons (15-24 years) exhibit a participation rate of 39,7% while the participation rate for the elderly people (55-64 years) is estimated at 50,9%. It should be noted that from the three age groups only the age group 25-54 contributed to the increase of the total participation rate that was observed during the period 2002.

### **The participation rate encompasses differences between the two sexes.**

The male participation rate for 2002 was at 81% or about 20 percentage points higher than the corresponding female rate (61,6%). Even though women's participation rate is lower, it increases at a faster pace than the male participation rate.

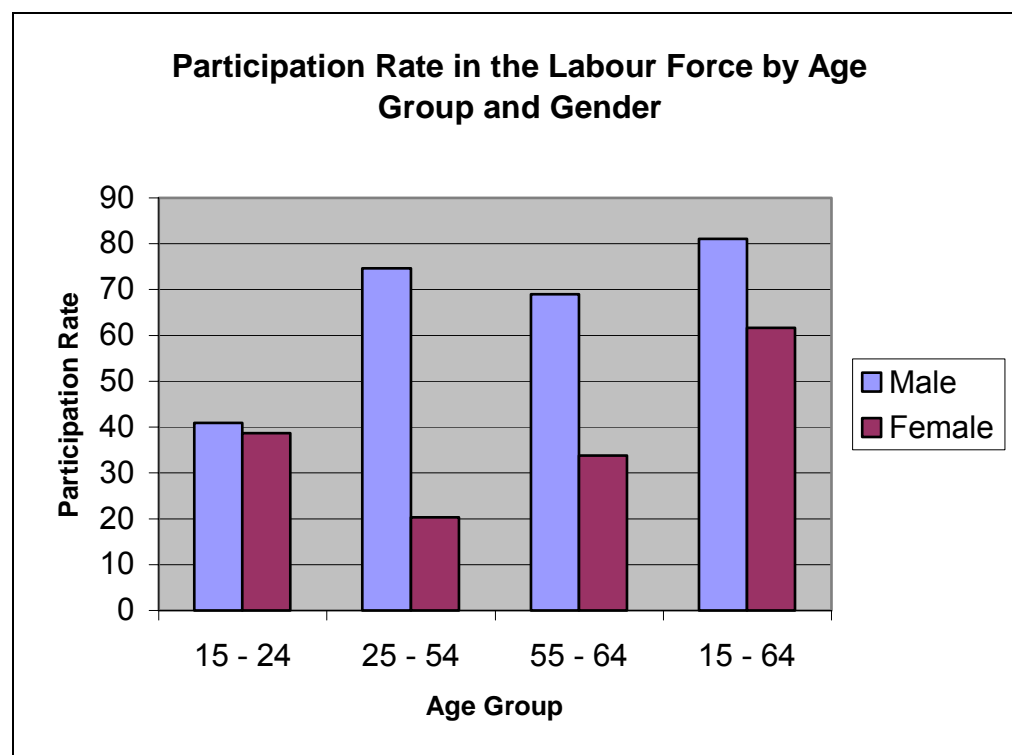
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<sup>1</sup> Covers people living in private households, in the government control area, only. It excludes persons living in collective households (i.e. residential homes, boarding houses, hospitals, religious institutions, workers' hostels etc), conscripts on compulsory military service and students studying abroad.

<sup>2</sup> Number of employed and unemployed age 15-64 as a percentage of total population age 15-64.



Concerning the differences amongst the age groups with regard to the gender, the male population, as might be expected, exhibits higher participation rates in all age groups. The relevant differences are evident in the main labour force (25-54 years) where the female participation rate is lower by 20,4 percentage points (74,7%) in relation to the male participation rate (95,1%). However, this difference is more intense amongst the older persons at work, where the relevant difference is of 35,1 percentage points (68,9% compared with 33,8%). On the contrary, the gap in the participation rates is insignificant for the younger age group. The young males exhibit a participation rate of 40,9% for 2002, just 2,2, percentage points higher than the corresponding rate for young women (38,7%).



In conclusion, the participation rates are high. The male participation rates exhibit a decreasing trend in all age groups for 2002, while the corresponding female rates are increasing. From the analysis of participation rates by age group and gender, it is evident that there is no much room for further utilization of the male human resources aged 25-54. The potentials of

attracting additional labour force from the older age male groups also appear to be limited. **On the other hand, there are significant potentials for stimulating the participation of economically non-active persons from the female middle and older age groups, but mainly from the younger age groups, of both sexes.**

### Employment

**The total gainfully employed population** (15 years and over) reached 315,3 thousand persons in 2002 compared with 309,5 thousand in 2001. Out of this population, 306,6 thousand persons (a percentage greater than 97%) belong to the working age population (15-64 years), exhibiting an increase of 5,4 thousand persons compared with 2001.

The increase of the gainfully employed population in absolute numbers had as a consequence the increase of the percentage of the gainfully employed, in relation to the total population. The total employment rate for people of 15-64 years rose to 68,5% in 2002, compared with 67,9% in 2001.

**The employment rates<sup>3</sup> appear to vary, depending on the age group** of the employed population. The higher rates have been observed in the 25-54 age group (82,2%), while the lowest rates were observed in the younger (15-24 years) age group (36,7%). The employment rates for elderly persons (55-64 years) lie somewhere in the middle (49,2% for 2002).

**The differences in the employment rates between male and female population are also evident** as in the case of labour force participation rates. The total employment rate for women in 2002 remained lower than that of men, by 20 percentage points (59% in relation to 78,8%). However, it should be noted that the female employment rate was the main contributor to the increase of total employment in 2002. Compared with the figures of 2001, in 2002 the female employment rate increased by around 2 percentage points,

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<sup>3</sup> Employed age 15-64 as a percentage of population age 15-64.

while the male employment rate decreased by 0,6 percentage points. As a consequence, **it was mainly women, rather than men, who were recruited in the new job positions created in 2002.**

**The gap that is observed amongst the employment rates of the two sexes**, naturally, is also **observed between the age groups** that compose the gainfully employed population. As in the case of participation rates, the difference appears to be small amongst the younger age group of 15-24 years, but this difference increases amongst the main part of the labour force (25-54 age group) and is further enlarged for the older persons at work (55-64 years old). More specifically, the gap in the employment rates of the two sexes is estimated at 2 percentage points for the younger age group, at 21 percentage points for the age group 25-54 and at around 35 percentage points for the older age group. It is worth noting that out of 100 women of 55-64 years, only 32 (32,1%) remain employed in the labour market (compared to 67 out of 100 men of the same age group).

<b>Employment Rates By Age Group And Sex 2000, 2001 and 2002</b>								
	<b>15 - 64</b>		<b>15 - 24</b>		<b>25 - 54</b>		<b>55 - 64</b>	
	<b>Male %</b>	<b>Female %</b>	<b>Male %</b>	<b>Female %</b>	<b>Male %</b>	<b>Female %</b>	<b>Male %</b>	<b>Female %</b>
<b>2000</b>	78,6	53,0	39,5	34,3	92,5	64,0	67,4	32,1
<b>2001</b>	79,4	57,1	40,5	37,9	93,5	68,7	66,8	32,0
<b>2002</b>	78,8	59,0	37,7	35,8	93,2	72,0	67,0	32,1

Regarding the **types of employment** that are present in the labour market, the percentage of **self-employed persons** in relation to total employment appears to be considerably high, at around 23% in 2002, exhibiting a small decrease of 0,7 percentage points in relation to 23,7% in 2001. Proportionally, more men than women work as self-employed (28,6% compared with 15,9%). In 2002, 7,2% of the total gainfully employed population was working on a **part time basis**. This type of employment is not popular amongst the male

population (4%), while for women, part-time employment is considered to be significant concentrating a percentage of 11,3% of the total female employed population. According to relevant data, part time employment exhibited a decrease in relation to 2001 (8,4%) for both sexes. **Fixed time employment rates** are correspondingly about the same as the ones for part time employment, (10,8% of the total female and 4,1% of male employed population). In 2002, the employment rate for **temporary employment** exhibited a decrease both for men and women, in comparison to 2001 (12,4% and 5% respectively).

With regard to **the structure of employment according to the sectors of economic activity**, the Cypriot economy appears to be highly dependent on the tertiary (services) sector. The tertiary sector accounts for the largest part of employment, around 71,5% of the total gainfully employed population in 2002, while the secondary sector and the primary sector accounted for the remaining 23,1% and 5,4% respectively. A gradual expansion of the services sector at the expense of manufacturing and agricultural sector has been observed throughout the years, with these last two sectors exhibiting decreasing participation rates year by year.

The differences that appear in **the structure of employment between the two sexes** appear to be significant with regard to the two out of the three sectors of economic activity. Specifically, while the primary sector employs 4,3% of gainfully employed women and 6,3% of men, the secondary sector exhibits an over-representation of the male population (employs 31,6% of gainfully employed men and 12,1% of women), while an over-representation of women is exhibited in the tertiary sector (employs 83,6% of gainfully employed women and 62,1% of men). The **female employment**, therefore, appears to be the “key” for the economy, as it is considered to be the **driving force for the growth of the services sector**.

## Unemployment

According to the Labour Force Survey, it is estimated that in 2002 the number of unemployed amounted to 10,8 thousand persons, out of whom 4,8 thousands were men and the remaining 6 thousands were women. Compared with the figures of 2001, the absolute number of the unemployed shows a decline of 2,2 thousand persons (2,000 women and 200 men). In percentage figures, in 2002, **unemployment affects 3,3% of the economically active population** (of the age of 15 and over), while there was a decrease of about one percentage point (0,7%) compared to the previous year.

As in the case of most of the EU Member States, the percentage of female unemployment appears to be significantly higher from the corresponding male figure. In Cyprus, **the rate of female unemployment was at 4,2% in 2002, compared with 2,6% for male.**

Moreover, the **selective concentration of unemployment on young people** is a characteristic of the labour market of many countries. This trend is also evident in the Cypriot labour market, where the unemployment rate of young people (15-24 age group) reached 7,7% in 2002, compared with a percentage of 8,4% in 2001. The corresponding figure for young women exhibited a significant reduction from 10,2% in 2001 to 7,5% in 2002, while the unemployment rate for young males exhibited an increase from 6,3% to 8%.

Finally, **the long-term unemployment rate**<sup>4</sup> appears to be particularly low, at just about 0,7% in 2002 (1% for women and 0,5% for men) compared to 0,9% in 2001 (1,1% for women and 0,7% for men). The low long-term unemployment figure is indicative of the favourable conditions prevailing in the Cypriot labour market.

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<sup>4</sup> Number of persons that are unemployed more than a year as a percentage of the economically active population.

## Participation in education and training

The **level of education of the Cypriot population** has been drastically rising in the last decades. According to the results of the Labour Force Survey 2002, 83.5% of the age group 20-24 possess at least upper secondary education certificate (males:43,2%, females:56,8%), while 45,9% of 25-29 year olds possess some type of tertiary education qualifications (males:42,9%, females:57,1%). At the same time, the proportion of population with no education is shrinking. In 2001, 4% of the female population had never attended school (with comparison to 8% in 1992 and 21% in 1976) compared with a corresponding 1% for the male population.

In 2001, the net participation rate for young persons of 12-17 years old is estimated at a level of 93%(males:9,6%, females:95,7%). The higher secondary level education has two directions, the general one and the technical/vocational direction (17 specializations in 10 schools). As from the school year 2001–2002, the technical vocational education is under restructuring with an emphasis on the fulfilment of the needs of the Cypriot economy and on the acquisition of general skills and IT skills. In 2001/2002 around 75% (males:43,5%, females:56,5%) of the higher secondary education students chose courses of the general direction in public schools, around 11% (males:54,9%, females:45,1%) was registered in private schools and the remaining 14% (males:83,4%, females:16,6%) was attending courses of the technical vocational direction. It should be noted that the demand for technical/vocational education has been declining throughout the years, in favour of the general and higher education.

During the academic year 2001/2002, **63% (males: 40,6%, females: 59,4%) of secondary education graduates continued their studies in tertiary education establishments.** 48% (males: 45%, females: 55%) of these persons are studying in Cyprus and 52% (males: 50%, females: 50%) are studying abroad. The main destinations for Cypriot students are Greece (60,3%), the UK (18,9%) and the USA (10,5%). It should be noted that only

15%<sup>5</sup> of the students who gained a degree abroad did not return to Cyprus two years after the completion of their studies, while this percentage was higher (25%) for those with a postgraduate degree.

With regard to the **completion of secondary education studies, the figures are considered as satisfactory**. During the school year 1999/2000 a percentage of 90,7% of the students who had enrolled three years ago completed their first level secondary studies, while 79,8% of the students who had enrolled 6 years ago completed their higher secondary education studies. The number of young persons, who drop out from the formal educational system before completing the secondary education, is estimated at around 1600 persons per year (2,5% of enrolments), the majority (68%) being males. Approximately, 400 persons out of these drop-outs (most of them are boys) are enrolled to the Apprenticeship Scheme, which practically functions as a protective net to school drop-outs and school failure.

With regard to training, the **Human Resource Development Authority (HRDA)** is the main actor in this field. The total amount spent by the HRDA for the training and development of human resources of Cyprus amounted to £4,2 mil in 2002 compared to £3,8 mil in 2001. The number of persons who receive training under the guidance and financing of the HRDA has been increasing throughout the years. During 2002, the participation in training activities reached 33.809 (11% of the gainfully employed population) in comparison to 30.430 in 2001 (10% of the gainfully employed population). As regards gender differentiation<sup>6</sup>, in 2002, 20.034 men and 13.775 women received training in comparison to 17.819 and 12.601 in 2001, respectively. The participation in initial and continuing training reached 1.108 (841 men and 267 women) and 32.701 (19.193 men and 13.508 women) respectively.

The evaluation of the special characteristics of the labour market and of the training sector in Cyprus as well as the examination of challenges created by

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<sup>5</sup> “Οδοιπορικό Σταδιοδρομίας Νέων Αποφοίτων Τριτοβάθμιας Εκπαίδευσης στην Αγορά Εργασίας της Κύπρου, 1996-1998” ΑνΑΔ (“A Tracer Study of new Tertiary Education Graduates in the Labour Market of Cyprus, 1996-1998” HRDA).

the accession of Cyprus to the EU, reveal that an **essential and remarkable progress has been achieved in the field of training**, within the last years. The progress achieved concerns the increased awareness, by the enterprises and the employees, of the significance of training and life-long learning

Although the participation in continuing training programmes outside the scope of HRDA remains unknown, it is estimated that around 17.000 persons participate in programmes that are organized by the Education Centres for Adults.

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<sup>6</sup> Figures for men and women are estimates.



### 2.1.3 SWOT ANALYSIS

Strengths	Weaknesses
Almost full employment conditions in the labour market and Prevalence of labour peace and social cohesion conditions	Deficiencies of labour force and inequalities in the labour market
High participation rates in the labour force, particularly for men	Inadequate flexibility in the reorientation of the education and training systems towards the needs of the labour market, in combination with insufficiencies in the vocational guidance systems
Highly educated and of high mobility human resources with adequate foreign language skills	High concentration of unemployment among the young persons, women and the elderly
Existence of modern legislative framework for equal opportunities, social inclusion as well as the vulnerable social groups	Small size of enterprises and limited degree of synergy between them
Healthy and dynamic economy based on market mechanism and also flexible capable of adapting to changing conditions	Part time employment and new forms of organization of work remain at low levels
	Lack of an adequate network of the Public Employment Services (oriented towards an active approach)
	Inefficiencies in the provision of services for equal opportunities for all as well as in the support services for the vulnerable social groups
	Shortage in technical and semi skilled occupations
	An imbalanced representation of women in various occupations and a significant gender pay gap
	Lack of appropriate evaluation culture and weaknesses in monitoring and collection of results of interventions

Opportunities	Threats
Adaptation of the education and training systems to the labour market needs and to the information society environment	Ageing of population, which places challenges to the social protection systems as well as to the education and training systems
Development of modern Public Employment Services for the implementation of active and preventive approach for employment	Changes in the family structure (increase of divorces and single-parent families), which require a new approach to policy formulation
Improvement of quality and effectiveness of the active measures for combating unemployment and enhancement of employment, through participation in community programmes and transfer of best practices.	Increased participation of women in the labour market, which, if not accompanied by counterbalancing policies, eventually turns out at the expense of women due to their role in the family
Increased opportunities for education, training and employment within the expanded EU labour market and the single European educational area	Concentration of unemployment to specific groups, a fact that contains risks for social cohesion
Social Integration of vulnerable groups	Potential appearance of racism and xenophobia
The potential of attracting additional labour force from the female population	Accelerated occurrence of social problems (drugs, domestic violence, juvenile crime)
	Lack of communication and adequate coordination between the Public Services

The analysis of the existing situation in Chapter 2 of the Community Initiative Programme (CIP) allows for an identification of the strategic challenges faced by the Cyprus labour market and the potential contribution of EQUAL through the implementation of specific development interventions and dissemination of new ways for applying policies in the employment sector in order to confront any form of discrimination and inequality experienced by the people who want to access the labour market or they are already in the labour market.

As derived from the correlation of objectives and needs, the objectives of the Programme correspond to the basic weaknesses identified in the context of the SWOT analysis, with particular emphasis on the most important problems concerning the promotion of equal opportunities, in order to sustain the consistency of the action of EQUAL, with also taking for granted the need for efficient allocation of the limited financial resources of the Initiative.

**Correlation of Thematic Priorities of EQUAL with Strengths/ Opportunities– Weaknesses/Threats in SWOT Analysis of the Programme of the Initiative**

<b>Thematic Priorities in EQUAL</b>	<b>Weaknesses / Threats</b>
<b>TP. 1: Improvement of Employability</b>	<ul style="list-style-type: none"> <li>- Deficiencies of labour force and inequalities in the labour market.</li> <li>- Inadequate flexibility in the reorientation of the education and training systems towards the needs of the labour market, in combination with insufficiencies in the vocational guidance systems</li> <li>- High concentration of unemployment amongst the young persons, women and elderly.</li> <li>- Small size of enterprises and limited degree of synergy between them</li> <li>- Part time employment and new forms of organisation of work remain at low levels.</li> <li>- Lack of an adequate network of Public Employment Services (oriented towards an active approach).</li> <li>- Inefficiencies in the provision of services for equal opportunities for all as well as in the support services for the vulnerable social groups.</li> <li>- Shortage in technical and semi-skilled occupations.</li> </ul>
<b>TP. 2: Strengthening the policies for equal opportunities for men and women</b>	<ul style="list-style-type: none"> <li>- Deficiencies of labour force and inequalities in the labour market.</li> <li>- High concentration of unemployment amongst the young persons, women and elderly.</li> <li>- Small size of enterprises and limited degree of synergy between them</li> <li>- Part time employment and new forms of organisation of work remain at low levels.</li> <li>- Lack of an adequate network of Public Employment Services (oriented towards an active approach).</li> <li>- Shortage in technical and semi-skilled occupations.</li> <li>- An imbalance representation of women in various occupations and a significant gender pay gap</li> <li>- Changes in the family structure (increase of divorces and single parent families), which need new approaches in the policy design.</li> <li>- Increasing participation of women in the labour market, which, without any compensating policies and measures, turn against women due to their role in the family.</li> <li>- High concentration of unemployment to specific groups, which threatens social cohesion.</li> </ul>
<b>TP. 3: Asylum Seekers</b>	<ul style="list-style-type: none"> <li>- Potential emphasis on phenomena of racism and xenophobia.</li> </ul>

From the correlation of the Thematic Priorities of the Community Initiative (CI) EQUAL with strengths / opportunities and weaknesses / threats existing in the Cyprus economy and society and in particular the issue of equal opportunities for access in the labour market derive the following remarks:

- The Thematic Priorities of EQUAL in total exploit the strengths and opportunities giving particular emphasis on those ones that are exhibited in the sector of social economy, in the services sectors and on the comparative advantages for alternative fields of employment in the primary sector.
- The potentials for development and strengthening of a significant number of organisations involved in the labour market are exploited as well as the mechanisms, which operate for the alleviation of inequalities between men and women.
- The Thematic Priorities 1 and 2 exhibit increased consistency with the strengths and opportunities.
- All Thematic Priorities exhibit a dynamic tendency to confront those weaknesses / threats concerning the problems of unemployment, the qualitative and quantitative increase of the level of involvement of the Public and Private Employment Offices in the labour market and the adoption and promotion of integrated actions.

In addition, as presented in the table below, all weaknesses, with the exemption of lack of monitoring and evaluation culture are confronted.



## **2.2. INEQUALITIES IN THE LABOUR MARKET**

### **2.2.1. Labour Market Exclusion and Social Cohesion**

Until now, the problems of poverty and social exclusion are not particularly acute in Cyprus, due to a number of reasons related to general developments and changes that took place within the last decades. First, the benefits from the high rate of economic growth that took place in the recent past, were (to a small or to a greater extent) equally distributed between the different social groups of the population. Second, the prevalence and maintenance of very low unemployment rates (especially short-term unemployment) eliminated a significant potential source of poverty and social exclusion. Third, and maybe most importantly, the Cypriot family preserved to a great extent its traditional character composing, according to the indications, an adequate and effective informal social protection net. Therefore, the traditional solidarity within the boundaries of the extended family, reinforced by government policies, contributed to the maintenance of conditions of social cohesion.

Despite the positive developments analysed above, the problems of poverty and exclusion, including the exclusion from the labour market, are under the pressure of general socio-economic and demographic changes and consequently are likely to become more intense in the near future. In particular, single-parent families, disabled, prisoners and released prisoners, unemployed young people, elderly asylum seekers as well as substance misusers constitute typical cases of this phenomenon.

The problems of poverty and exclusion, including the exclusion from the labour market, are under the pressure of general social changes and consequently, are likely to become more intense in the near future.

The demographic phenomenon of ageing of the population and the changing size and structure of the family (divorced, single parents) are likely to exert pressure on the informal protection networks. The increasing complexity of emerging individual, family and social problems, resulting from dynamic social and economic developments, is partly reflected in the numbers regarding the recipients of public assistance, a figure that has been increasing in the last years, from 8.020 in 1990 to 15.386 at the end of 2001. The reinforcement of the incentives to end the dependence on public assistance emerges as a counterbalance to the above unavoidable changes. This reinforcement concerns the employment and the participation in training and continuous education programmes, as well as the investment in different types of care for the children, the elderly and persons in need.

## 2.2.2. Demographic/Socio-economic Groups and Inequalities in the Labour Market

### The Young people

The young people constitute one of the demographic groups that face problems of exclusion in the labour market. The rate of unemployment of young people of 15-29 years old in 2002 reached 5,2%, as compared to 5% in 2001 and is higher than the average rate for all ages (3,3%).

The younger people face the bigger problem of unemployment. More specifically, the young people of 15-19 years old exhibited a rate of unemployment of the order of 13,3% in 2002, as compared to 13,6% in 2001, while the rate of unemployment of young people of 20-24 years old was 7% in 2002, as compared to 7,1% in 2001 and those of 25-29 years old was 3,2% in 2002, as compared to 2,1% in 2001. The data implies that the young people of 15-24 years old face serious problems as regards their passage from the school in the labour market.



The above problem is related, inter alia, with school dropout. Despite the fact that the school dropout rate<sup>7</sup> for the academic year 1999/2000, for which there is available data, was low, 2,5%, it is estimated that roughly 2 thousands young people every year drop from the formal school system before completing the compulsory education. Approximately, only 400 out of these drop outs enter in the System of Apprenticeship, which functions as a protection network for the school drop outs.

As regards the differences between the two sexes, in 2002 the rate of unemployment of young women of 15-29 years old was only marginally higher than the corresponding one for men, 5,3% and 5,2% respectively. A significant differentiation between the two sexes regarding the rate of unemployment is exhibited in the age group 15-19 years old, in which the rate of unemployment of women was 15,9% in 2002, whereas that of men was 9,8%.

The conclusions arising from the above analysis are that young persons in Cyprus face **bigger problems in job finding** than the other age groups. The problems are particularly intense for the young people of both sexes between 15 and 24 years old and still more acute for women of 15-19 years old. Despite the fact that the Cypriot family maintained to a large extent its traditional character and constitutes an informal social network of protection that supports financially its unemployed young members, the continuation of the above trends is expected to pressure this network with potential intensification of poverty and social exclusion.

### The Elderly

Poverty<sup>8</sup> in Cyprus seems to be associated, among others, with old age, retirement and one person households. More specifically, the risk of poverty of

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<sup>7</sup> Reported number of drop-outs (left school without registering elsewhere) during the school year (x) plus failures of year (x) and not repeating the class in year x+1 plus the pupils who are promoted in year x but do not enroll in year x+1, all divided by the total number of enrollments in year x+1.

<sup>8</sup> Cyprus figures refer to 1997 and EU figures refer to 1999.

the age group 65+ years is high, 58%, as compared to 17% in the EU. The persons in retirement, also, run a high risk of poverty, 62%, as compared to 15% in the EU. The problem is further intensified when persons of 65 years old and above live alone, with a risk of poverty of the order of 83%, in comparison to 24% in the EU. As regards the differences between sexes, elderly women in Cyprus as in the EU, are at a higher risk of poverty than elderly men, reaching 60% and 56% respectively. The main factor that is related to this development is the former social insurance scheme, which used to provide only for the basic rate of pension. As a result of the introduction of the wage-related social insurance scheme in 1980, future generations of pensioners are expected to be in a better financial position than their counterparts today.

### Women

Women constitute another group that faces problems to access the labour market. It is characteristic that women in 2002 constituted the majority of the working age population (15-64 years old), 50,9%, whereas at the same year they only constituted 44,3% of the economically active population.

The **participation rate of women** reached in 2002 61,6% and despite the increase that exhibited the last years is considerably smaller than the corresponding one for men, 81%. The **inequality is more intense among the labour force of 25-54 years old**, where the women's participation rate, 74,7%, is 20,4 percentage points, lower than the men's participation rate, 95,1%, and in particular among the employed of older age. On the contrary, this inequality is marginal for younger individuals, where the men's participation rate (40,9%) is only 2,2 percentage points higher than the corresponding rate for women (38,7%). This phenomenon is also reflected in the employment rate of the two sexes. The **employment rate for women** in 2002 was by roughly 20 percentage points lower than the corresponding rate for men, (59% as compared to 78,8% respectively). The difference in the employment rate between the two sexes is very small among the individuals of 15-24 years old, only 2 percentage points, whereas the corresponding

difference among the individuals of 25-64 years old reached 23,6 percentage points. To a large extent, this phenomenon is explained by the fact that when older women were young different social values were prevailing concerning the employment of women and by time the gap between the employment rate between women and men is expected to decrease since younger women have stronger attachments to the labour market.

A positive development constitutes the fact that **the employment of women is concentrated in the tertiary sectors of services**, which the last years demonstrate dynamism, constitute the main leverage of growth of the Cyprus economy and create additional employment posts. More specifically, 83,6% of the total employment of women is in the tertiary sectors of services, compared to 62,1% of the employment of men.

Additional positive development as regards the employment of women is the progress that is observed in the educational achievements of women, specifically in 2002, 34,8% of employed women possessed degrees of third level education, as compared to 29,8% of employed men.

Despite the progress that has been made during the last years in the participation of women in the labour market and the educational level of Cypriot women, women still continue to be in a **more disadvantaged position than men. The unemployment rate of women** fluctuates at higher level than the corresponding one for men, 4,2% and 2,6% respectively in 2002. More specifically, the unemployment rate of young women of 15-20 years old, 7,5%, is higher than the average. The relatively lower participation rate of women (20,4 percentage points lower than men) mainly arises because of the increase burden on women to stay at home and care for their children or other dependents as well as to the limited development of flexible forms of employment which correspond to their needs. This problem becomes even more intense because of the inadequate family support or child care and other dependants' facilities. In this respect, there is a need to form policy for reconciling professional and family life with a view to allow women to search for employment.

In parallel, gender segregation continues to be a strong feature of the labour market. Key sub-sectors where women account for 60% or more of all employees are education (68%), health or social work (70%) and private households (99%). Similar patterns of gender concentration are revealed in the occupational structure. Women are over represented in clerical, elementary occupations and services/sales workers. In the professional occupations there is more or less a balanced distribution of men and women. On the contrary, only 17% of legislators and managers are women. This gender segregation contributes to a gender pay gap of 27 percentage points. Specifically, in 2001 the average earnings of women were 73% of that of men (women receive 34,9 lower rates of pay than men) and is partially explained by the fact that men possess more managerial positions in the labour market than women.

As regards the participation of women in the political life of the country, it is noted that one woman possesses the place of Minister and their participation in the House of Representatives increased from 3 parliamentary places out of 56 places in total (5,5%) in 1996 to 6 places in 2001 (11%). Increase was also noted in the participation of women in local authorities, specifically the percentage of women local authority counselors was 20% in 2001 as compared to 17% in 1996. Despite the increase observed the last five years in the participation of women in the political life, there is great room for further increase.

In summary, the complete achievement of equal treatment and equal opportunities between men and women in the labour market still lacks behind. The traditional perceptions and prejudice, although they started to recede, they still exist to a certain degree and in combination with the existing problems for children care, create a gap towards the equal and complete participation of women in all sectors of social and economic activity.

On the basis of the above analysis, specifically in the labour market, the problems that are faced concern, mainly, the equal treatment of women with

regard to the promotion opportunities, recruitment and wages, the access in the labour market due to social perception, to family responsibilities and mainly, due to children care and the participation of women in the public and political life of Cyprus which remains limited, particularly in the high level positions and in decision-making positions.

#### Persons with Long Standing Health Problems<sup>9</sup>

This group is constituted by persons that suffer from physical, sensory, mental and other problems. Persons with long standing health problems of 16-64 years old amount to 53.369 and constitute 12,2% of the total population in these ages, out of which 28.194 are men and 25.175 are women. 25.513 individuals with long standing health problems are employed, 47,8% of the total population of this group, while they constitute only the 8,3% of the total number of employed population in the 16-64 years old. The unemployment among these individuals, amounted to 2.108 persons in 2002, out of which 1.278 men and 830 women. The unemployment rate of this group was 7,6% in 2002 and it constituted 19,6% of the total number of unemployed.

In this group 1.752 persons face serious disabilities (3,3% of total population with long lasting health problems) out of which 255 are employed.

The low employment rate in persons with long standing health problems is mainly attributed to the lack of awareness among the employers for the abilities of the individuals with long standing health problems, to the difficulties that they face regarding their transportation in general and more specifically in their working place, such as, inter alia, inappropriate entrances in the buildings and difficulties of transportation from their living places to their working places, to the low education level and training of these individuals, to the lack of supportive services for these individuals in the Public Employment Services as well as to the lack of incentives for the private sector to employ these people.

The legislative framework that provides for the persons with special needs ensures their rights and their access in goods and services; however, it is observed that it is only partially applied. The Ministry of Labour and Social Insurance promoted, the last few years, various schemes for the employment of these individuals, however there is space for improvement and enrichment of these actions.

#### Prisoners, Released Prisoners and Juvenile Delinquency

The criminality in Cyprus exhibits an increase during the last years. Specifically, the adults that were convicted for serious offences in 2000, for which there is available data, were 852 (out of which 791 men and 61 women) from 632 (out of which 577 men and 55 women) in 1990. Of the convicted adults 93% were men mainly of 16-39 years old and as regards the education level 87,5% of the total has completed the secondary education. In 2000, 1.150 persons were admitted in prison and 1.134 persons were released. Despite the relatively low average length of stay in prison, 2,7 months in 2000, and the decrease as compared to 1990, 4,8 months, the imprisonment keeps away the individuals from the labour market for a specific period of time. The lack of professional specialisation, the social biases, and the unwillingness of employers to employ former prisoners constitute the major factors that exclude these individuals from their social and professional rehabilitation after their release.

The Ministry of Justice and Public Order in cooperation with the Ministry of Education and Culture and the private sector offers classes to the prisoners, on a voluntary basis, and other programmes of professional training. At the same time, towards the end of their custodial sentence the prisoners are admitted in the Centre of Out of Prison Employment and Rehabilitation in which they are allowed to work out of prison and to be remunerated as all the employees and generally to live under conditions of low security. There is

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<sup>9</sup> The data collected for this category by the Labour Force Survey is for the age group of 16-64 years old.

however space for improvement of these programmes and mainly there is a need for eliminating the biases for the employment of these individuals.

The juvenile delinquency does not constitute a significant problem in Cyprus. In 2000, 226 juveniles were involved in the commission of offences without significant differentiation from 1990, 220 juveniles, out of which only 65 juveniles were convicted, 57 were sentenced with fine, while only 3 were sentenced with suspended term of imprisonment.

### Asylum Seekers

Since 1<sup>st</sup> of January 2002, the Refugee Authority of the Ministry of Interior undertook the responsibility of refugee status determination. The number of persons applying for asylum has an increasing trend during the last five years, more specifically in 2002 952 persons applied, as compared to 225 persons in 1998. The rejection rate of applications, however, is high, around 95%. In the first eleven months of 2003, the number of persons applied for asylum amounted to 2.696. These people are given work permit and until they find a job they receive from the Cyprus Government a public assistance allowance covering rent, subsistence, personal expenses etc. In 2002, the Cyprus Government granted allowances of 1,4mln CYP. The Cyprus Government constructed one Reception Centre for Asylum Seekers, accommodating 150 persons and it will be in operation as from January 2004. The Reception Centre will function as a temporary accommodation until the completion of the procedure that will allow them to receive allowance or to work; on average this procedure takes about one month. After the submission of their applications, they receive a public assistance allowance and work permit and they are responsible for their own accommodation.

Despite the fact that asylum seekers are allowed to work, their integration in the labour market is impeded for various reasons, the barrier of language, unfamiliarity with the Cyprus labour market and their opportunities for employment, low qualifications, difficult psychological state, family

responsibilities etc. In this respect, it is necessary to create a collective approach to help these people to integrate socially and professionally in Cyprus until the final assessment of their application. This approach should include Greek language classes, training, individualised employment services and psychological support.

### Substance Misusers

Although there are no official statistics to indicate the prevalence of drug use in Cyprus, some independent research carried out in the 1990s<sup>10</sup>, as well as current clinical and other data, indicate an increasing trend in drug use in the general population, an increase in the use of opiate drugs (especial heroin) and synthetic drugs (ecstasy), a decrease in the age of initial drug use and an increase in the use of illegal substances within suburban areas.

There is no official data for the substance misusers who are rehabilitated. However, there are indications, from various sources, that a number of individuals each year complete rehabilitation programmes and they are ready to enter the labour market, where they face problems due to the biases prevailing among the employers. Despite the small number of these individuals, usually below one hundred, the problem of substances misuse is continuously increasing as well as the individuals that are rehabilitated. Until today, the job searching was done by the rehabilitation centres on a voluntary basis. A collective national policy, including training of these individuals and awareness of employers, aiming at integrating substance misusers in the labour market lacks behind.

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<sup>10</sup> (a) Pompidou group (Council of Europe) (1995-1999). (b) European Schools Survey on Alcohol and Other Drugs, Ministry of Education and Culture (2000). (c) Self-reporting National Survey on Juvenile Delinquency amongst Cypriot High-school Students.



### 2.3. THE SOCIAL ECONOMY IN CYPRUS

The social partners (since the 1960s) and civil society (since 1968) have a long history of successful cooperation with the Government in the field of social policy. Social solidarity is valued highly in Cyprus and is expected to continue growing.

The role of the social partners is institutionalised at all levels of policy-making and implementation. The tripartite cooperation has a successful history, which is expected to continue and further develop in the future.

**Social voluntary organisations** play an important role in almost every field of social welfare in Cyprus. Through the establishment of a variety of advisory councils, by legislation or by decisions of the Council of Ministers, the Government consults with NGOs in an increasing number of policy areas such as ageing, special needs, disability, family violence and drug abuse.

Governmental services, social partners and NGOs are all represented in advisory councils. For example, according to legislation, non-governmental organisations for persons with disabilities are organised under the Pancyprian Council for People with Disabilities (PCPD), which was established in 2000 as a central coordinating and consultative body with the aim of contributing towards policy issues relating to people with disabilities.

The social voluntary sector is organised under the Pancyprian Welfare Council (PWC), which is the highest coordinating body of voluntary social welfare organisations in Cyprus. In addition to the PWC, almost all NGOs for persons with disabilities (a total of 7 NGOs) are organised under the Pancyprian Council for People with Disabilities (PCPD).

The PWC membership records illustrate the organised structure of voluntary social welfare in Cyprus. There are 6 district welfare councils, 37 Pancyprian and 234 district/local social welfare voluntary organisations. The PWC members represent a wide range of interests of civil society; older people,

people with disabilities, young people, children, families, persons with chronic illnesses, drug users, etc. Social programmes are implemented in various fields such as: health, rehabilitation, recreation, day care, residential care, home care, preventive and support services. Programmes and services aim to promote social cohesion and address social needs at both local and national levels.

In general, NGOs command a growing number of assets and mobilise vast human resources, both paid and voluntary. Very few NGOs, however, can be characterised as financially self-sufficient. As a result, an increasing number of NGOs depend to a large extent on national funding. In some cases, national funding determines the voluntary organisations' existence. This has major implications for the way NGOs are funded, the quality of programmes and services and the planning and continuity of management.

The EQUAL Programme will be a good opportunity for the civil sector to gain knowledge on how to apply for financial support in a more competitive environment.

Although NGOs play an important role in social policy implementation, they are still not represented in all policy-making procedures. Furthermore, there is a growing number of NGOs which share the same objectives and represent the same vulnerable groups, resulting in service duplication and inefficiency in the allocation of resources. Finally, most NGOs lack statistical data and research findings to illustrate their clients' needs or the need to introduce specific services/programmes in their respective field of competence.

The Pancyprian Welfare Council, in cooperation with the Government, is considering ways of improving coordination between NGOs. The law which establishes the PWC is under revision with a view to strengthening the PWC's role in social policy-making and its working methods and coordination capacities, as well as improving the representation of NGOs in the development, implementation and monitoring of social policies.

The Government is strongly committed to further developing its cooperation with the social partners and NGOs, as shown in the National Development Plan 2004-2006. The participation of the PWC and the PCPD in the JIM exercise is expected to further contribute towards more involvement of civil society in social policy-making. It is also expected to pave the way for the preparation of the Cypriot NAP inclusion in 2004.

## **3. THE POLICY CONTEXT FOR ACTIONS UNDER EQUAL**

### **3.1. INTRODUCTION**

It is recognized that the success of the implementation of employment policies will depend on factors such as the existence of effective and efficient services, a strong involvement of the social partners, the mobilization of all relevant actors and adequate financial allocations.

### **3.2. THE EUROPEAN POLICY CONTEXT**

3.2.1. European Employment Strategy, the Joint Assessment Paper and the Joint Inclusion Memorandum

#### European Employment Strategy

Within the framework of the European Employment Strategy, the Employment Guidelines for 2003 place great emphasis on three objectives: full employment (increase of employment rates according to the Lisbon and Stockholm Conclusions), quality and productivity at work and cohesion and an inclusive labour market. These three main objectives are supported by a number of priorities, including:

- Active and preventive measures for the unemployed and the inactive (making the right offer to the right person, at the right time, based on the early identification of the needs of each job seeker and on the design of a personalized action plan)
- Employment-friendly taxation and financial incentive systems (Making work pay)
- Fostering entrepreneurship to create more and better jobs (development of entrepreneurial skills for all and particularly for women,

reduction of administrative or financial barriers to the hiring of staff and improvements in work organization and working conditions)

- Transforming undeclared work into regular employment
- Promoting active ageing
- Immigration policies
- Promoting adaptability in the labour market (access to training, health and safety at the work place)
- Investment in human capital and strategies for lifelong learning
- Gender equality (strengthening mainstreaming, combating structural inequalities, promoting favourable conditions including care services for children and other dependants)
- Supporting integration and combating discrimination in the labour market for people at a disadvantage
- Addressing regional unemployment disparities

#### Joint Assessment Paper on Employment Priorities

Cyprus participates in the Employment Policy Review, the procedure established by the European Community with a view to help the candidate countries to adapt and modernize their national policies, so as to be able to implement the European Employment Strategy.

The first stage of this procedure included the Joint Assessment Paper on Employment Priorities (JAP), a document that was jointly agreed by the European Union and the Government of Cyprus and signed in December 2001.

The second stage included the preparation of a progress report by the Cypriot Authorities, regarding the implementation of JAP, which was submitted in mid2002 and the joint assessment of this progress report. In addition to that, the Cyprus Authorities prepared a new progress report, which was submitted in March 2003.

The main priorities identified in the JAP include the following:

1. Full and effective implementation of the reforms in upper secondary education in line with the planned schedule, together with the restructuring and modernization of the apprenticeship scheme.
2. Implementation of planned measures to increase further the returns, to Cyprus, from the substantial public and private investment in tertiary education.
3. Efforts to increase participation of adults, particularly the unemployed and potential re-entrants to the labour market, in continuing education and training. These efforts should be accompanied by the development of a coherent system of lifelong learning based on improved links between initial and continuing vocational education and training and an integrated national system of academic and professional qualifications.
4. Wage developments should reflect productivity growth, having in mind wage developments and productivity increases in the trade partners of Cyprus. The COLA system should be kept under review in the light of actual experience of its responsiveness to a changing domestic and external environment.
5. Maintenance of the broadly "employment-friendly" character of the system of taxation, social contributions, and unemployment compensation.
6. Re-definition of the role of the Public Employment Services (PES) towards more active engagement with the unemployed as part of a preventive and employability-oriented strategy. This will involve earlier and more regular PES-initiated contact with those who become unemployed, building on early identification of individual needs. Preventive policies should also be supplemented by PES action to support the reintegration of the long-term unemployed. The emphasis should be on support for active job-search and, where necessary, access to relevant labour-market programme opportunities. This may require some additional personnel as well as other resources in the PES.

7. While the existing range of active labour-market programmes (including human resources measures) appears to be appropriate for Cyprus' needs, improved access to these programmes is required for a number of important target groups such as the unemployed, and certain groups currently not in the labour force – primarily women. Continuous monitoring and evaluation of the programmes and their impact, on existing and new target groups, will be needed to ensure that they remain relevant to clients' needs.
8. Every effort should be made to speed up the implementation of planned gender-equality measures. Particularly important is the increased access for women to training and retraining programmes; full implementation of the "acquis" in relation to both equal pay and equal opportunities; support for "family-friendly" employment patterns and practices; and efforts to raise awareness on equality issues.
9. There is a case for a strategic review of the overall policy on temporary employment of foreign workers in Cyprus, both in terms of its contribution to labour-market flexibility and of rights and opportunities for migrant workers.
10. The development of regional policy should pay more explicit attention to the contribution of employment and human resources measures. In particular, care should be taken to ensure sufficient access to education and training programmes for those living in the less-advantaged areas
11. Continuing the Government's work on establishing the institutional structures necessary for the implementation of ESF, taking into account the policy priorities outlined in the JAP

### Joint Inclusion Memorandum

The Joint Inclusion Memorandum (JIM) is a document prepared jointly by the EU Commission and the Government of Cyprus, which outlines the principal challenges and policy responses for tackling poverty and social exclusion. Once the JIM has been signed on 18<sup>th</sup> December 2003, Cyprus will have the obligation to prepare in 2004 a National Action Plan (NAP/incl.), based on the priorities identified in the JIM and in accordance with the EU goal to reduce

the risk of poverty and social exclusion and strengthen social cohesion in the Union by 2010.

The analysis undertaken by the JIM has demonstrated that the main challenge of social inclusion in Cyprus is to deal effectively with emerging problems resulting from dynamic social and economic developments and focus on those groups of people who become vulnerable to such developments.

The challenges that have been identified cover a broad range of policies and correspond to those of the 15 EU Member States, as presented in the Joint Report adopted by the Council in December 2001, which was drafted on the basis of the National Action Plans of the member states.

The key challenges contained in the Cyprus Joint Inclusion Memorandum are as follows

1. The modernization of social protection to ensure adequate income and resources for all persons in need, particularly older pensioners and single parents.
2. The promotion of employment as a right for all, through the further development of active measures focusing on women, older persons and vulnerable groups such as people with disabilities.
3. The effective and timely prevention of educational disadvantage, particularly among vulnerable groups (e.g. early school leavers, children with special needs, children who come from different countries with a highly diversified linguistic and ethnic background).
4. The reinforcement of family solidarity and the protection of children's rights through further promotion of services (supportive, preventive and remedial) that respond to the changing needs of the family.



5. The promotion of good accommodation for all, with particular emphasis on meeting the needs of vulnerable groups (e.g low income households, large families, persons with disabilities) and reviving remote and disadvantaged regions.
6. The improvement of access to services and the quality and delivery of services, particularly in the field of health care for most vulnerable (low income families, the chronically ill, older persons).
7. The promotion of social solidarity, partnerships and coordination between the Government, the social partners, local authorities and NGOs for the effective planning of strategies and policies to combat poverty and social exclusion.
8. The reinforcement of the statistical capacity of Cyprus and the promotion of evaluation studies and research in order to further identify and analyze groups vulnerable to social exclusion and formulate effective social inclusion policies.

### Migration, Integration Policy

The Ministerial Committee of Cyprus on the employment of aliens is in the process of developing a new policy taking into account the economic developments and the labour market in Cyprus as well as the relevant EU policies on migration, integration and employment.

#### 3.2.2. The Policy Frame of Reference

The analysis of the strengths and weaknesses of the Cypriot economy and of the labour market in particular which was outlined in the previous chapter ensures a concrete definition of the policy priorities for the next years. More specifically, there is a need to:

- (a) Activate and integrate in training and employment the groups that are currently not in the labour force. These persons will come primarily from the groups of the new entrants who are secondary education graduates, the unemployed (especially the long term unemployed and the unemployed with low educational qualifications), women (economically inactive as well as women who are re-entering the labour market), the elderly and other people with disabilities. The achievement of this target is directly related to the reorganization and modernization of the PES, the investment in care services for special groups (children and the elderly, and people who are in need for care) as well as to the flexible arrangements of work organization.
- (b) Enhance the flexibility, the quality, the range and responsiveness of the systems of technical-vocational education and training. In particular, the training system must support in any of its forms (formal-unofficial, initial–continuous, private-public) the employability and the adaptability of human resources, thus facilitating the structural changes that are already taking place in the labour market and contributing to the competitiveness of the Cypriot economy. The achievement of this objective requires the “opening” of these systems to the above mentioned groups, more efficient responsiveness to the needs of the market and a review of the issue of equal opportunities.

### Strategic Objective

The main strategic objective of this SPD is the development and the full utilization of human resources in conditions of social cohesion and equal opportunities. The social and vocational integration of asylum seekers – which could become a more relevant issue in the following years – will be pursued in the first target.

This strategic objective coincides with the strategy objectives and the targets of the Strategic Development Plan 2004 –2006 for the development of human capital and the promotion of equal opportunities and the enhancement of social cohesion. At the same time, this objective is fully compatible and supports the European Employment Strategy, as well as the priorities of the JAP and the JIM, as described in the previous section of this Chapter.

### General Targets

The attainment of this strategic objective specializes in the following two general targets:

#### 1. Promotion of Employment

Aims at the promotion of employment and vocational education and training, mainly through the active support of employment in conditions of social cohesion and equal opportunities.

#### 2. Qualitative upgrading of human capital

Aims at the improvement of quality of the education and training provided, mainly through the exploitation of new technologies and through the closer link with the needs of the labour market.

These two general targets are interrelated and complementary, since the increase of the labour force and the access to employment of an increased number of persons requires not only the availability of these persons but also the improvement of their employability in conditions of social cohesion and equal opportunities.

In particular with regard to equal opportunities, the actions in favour of women should not be limited to the implementation of specific measures, but to the contrary all policies and measures should be directed towards the promotion of this objective. This implies that the issues of equality should be endogenous components of the programming procedure, from the initial

analysis and the formulation of a strategy, to the final evaluation. In addition, the issue of equality must be embedded in the design and implementation of all measures and priorities under each intervention.

The implementation of mainstreaming for equal opportunities will concern all the stages of the Programme implementation, from the definition of priorities upon the launch of the implementation, to the reporting and the final evaluation. Before actions are selected, they will be systematically examined, in order to ensure that they will lead to the elimination of inequalities between the two sexes in relation to employment, education and training as well as to the reconciliation between family and work life.

Great importance is also placed on the actions for the prevention of unemployment, especially long-term unemployment, within the framework of, inter alia, the enhancement of social cohesion. The preventive actions against unemployment will focus on the approach and support to the young unemployed before covering a six-month period of unemployment and the older unemployed before covering a twelve-month period of unemployment. The introduction of an individualized approach to the problems of the unemployed and the enhancement and modernization of the PES constitute essential elements of this new policy.

### **3.3. NATIONAL POLICY OVERVIEW (EMPLOYMENT AND VOCATIONAL TRAINING POLICIES)**

The recent trends in the Cyprus economy have been a satisfactory rate of growth of the economy, full employment conditions and macroeconomic stability. Unemployment and social exclusion were not considered critical and pressing problems in Cyprus, while the systems of employment, education and training functioned in a relative sufficient way. Therefore, there have been limited interventions in the labour market and a decreased need for systematic and complete evaluation.

For a small and open economy with limited natural resources, like the Cypriot economy, its human capital constitutes its most important factor of production, the development of which is a top priority. Consequently, the Strategic Development Plan 2004-2006, places great significance on the further development of human capital and the promotion of equality and social cohesion. At the same time, the Plan recognises that the upgrading, expansion and enrichment of the skills of human capital constitutes a top priority. Similarly, the rapid changes in the telecommunications and information technology sectors and the changes in production systems, organization of work and labour market needs, require the adaptation of the educational and training systems to the current needs of the labour market and the information society as well as the embedding of life long learning.

According to the Plan, the main weaknesses result from the lack of a flexible reorientation of the educational system in relation to the needs of the labour market. Improved links between the systems of education and employment, will contribute, inter alia, to the elimination of imbalances, which appear today between the demand and supply of labour. Significant room for improvement exists with regard to activating the inactive female population, through the enhancement of supportive structures and the expansion of services provided as well as through the encouragement of new, flexible work organization methods. Great potentials for improvement also exist with regard to the inclusion of disabled people and people from vulnerable social groups in the labour market, through the development of an appropriate support framework.

The main objective of the Strategic Plan is **the qualitative upgrading of the human capital, the promotion of employment, and the embedding of social cohesion conditions**. This aim is further analysed into the following general targets:

- Qualitative improvement and provision of a flexible and broad education, which could be compared favourably in relation to the educational levels of the most developed countries

- Sustainability of full employment conditions in relation to the rational utilization of human capital, flexible functioning of the labour market and continuous improvement of labour relations and of terms and conditions of employment.
- Upgrading of the quality of life of people who are threatened by social exclusion, through an integrated and comprehensive policy of equal opportunities in the sectors of education, training, employment, the functional adjustment of the social welfare and the promotion of equality between sexes.
- Development of active policies to combat unemployment, to prevent long-term unemployment and to provide support for those entering or returning to the labour market.
- Promotion of social inclusion and equal opportunities for all
- Development of education and training as part of a life-long learning policy
- Promotion of a skilled and adaptable workforce, foster innovation in work organization, support entrepreneurship and employment creation and boost human potential in research, science and technology.
- Improvement of the participation of women in the labour market.

### **3.4. LEADING PRINCIPLES OF EQUAL**

#### **3.4.1. Innovation**

Innovation constitutes a core principle for the CI EQUAL. All actions that will be financed will be characterized by their innovative dimension, which will constitute a particularly important selection criterion. Innovative actions may be completely new approaches, or the transfer of elements from elsewhere, it is important though for the DPs to be able to clearly identify the value added of these activities as well as how successful innovatory outcomes will be incorporated into mainstream programmes.

More specifically, the types of innovation required by the CI EQUAL are the following:

- Process-oriented innovations that will cover the development of new methods, tools or approaches as well as the improvement of existing methods.
- Goal-oriented innovations will be concerned with the formulation of new objectives.
- Context-oriented innovations, which are related to political and institutional structures.

#### 3.4.2. Trans-nationality

Co-operation across Member States is a fundamental aspect of EQUAL and the experience gained under the previous programmes as well as the first round of EQUAL shows that considerable policy innovation can be achieved through trans-national collaboration. Trans-national co-operation during the first round of EQUAL has already delivered:

- a better insight into the nature and forms of discrimination, inequality, and labour market exclusion;
- improved strategies and actions in the light of experience in other Member States (at national as well as at Development Partnership level);
- benchmark strategies and actions across several Member States;
- credibility to the work carried out by Development Partnership as far as opinion leaders and decision-makers are concerned.

Development Partnerships will participate in trans-national co-operation through:

- The implementation of the Trans-national Co-operation Agreement;
- Participation and contribution to the national and European thematic networks, at working groups, events, seminars and conferences organised within EQUAL

Participation costs (travel and subsistence) are considered as eligible expenses for this purpose and shall be covered by the Development Partnership budget (*action 2*).

Trans-national co-operation between Development Partnerships is intrinsic to the implementation of EQUAL and binds together Development Partnerships from several Member States through their common work programme. To achieve results, trans-national cooperation requires sharing a common approach to tackling specific problems, developing similar and/or complementary strategies, approaches and objectives, and agreeing on priorities for joint action. Development Partnerships base their common work on their knowledge and experience. The joint activities are organised in such a way as to achieve a significant added value for the strategies and work plans of each Development Partnership.

The 'trans-nationality window' (*i.e.* a commonly agreed date by which all Managing Authorities – having completed the single selection procedure - would complete the EQUAL Common Data Base (ECDB) with data on Development Partnerships, in order to give all Development Partnerships an equal chance to find trans-national partners. Member States have agreed that for the second Round of EQUAL this trans-nationality window would open on the 1st January 2005.

The Managing Authorities will participate in trans-national co-operation through

- Acting as lead Member State for thematic groups;
- Participating and contributing to the national and European thematic networks, at working groups, events, seminars and conferences organised within EQUAL.

Managing Authorities should use their own technical assistance budget to support them as lead Member State, and for the organisation of working groups, events, seminars and conferences organised within EQUAL.



### 3.4.3. Mainstreaming

The dissemination of progress and outcomes of work programmes at the national and European level is central to the success of the C.I. EQUAL.

Mainstreaming (*i.e.* the integration and incorporation of new ideas and approaches into policy and practice) is a challenging task. To assist in this process, EQUAL provides structures and tools, but ultimately it is up to each Development Partnership, each Member State and the European Commission to provide evidence for effective, efficient and relevant alternatives in the delivery of inclusive labour market policies that are transferable across Member States and applicable on a larger scale. These activities should not be limited to dissemination of results, which is only one step in the process of mainstreaming.

EQUAL contributes to effective policy making by finding out, on the ground, what works and what does not, and making sure that all key stakeholders can learn from it. The results are summarised and made public, and are used to enrich the policy peer reviews set up in the context of the European Employment Strategy, the Social Inclusion Process, evaluation activities at Union level, and the dissemination and exchange activities of the Community Programmes under Articles 13 (fight against discrimination) and 137 (in favour of social inclusion) of the Treaty.

In order to obtain the maximum impact from EQUAL, results must be analysed, benchmarked and disseminated in order to have an impact both within Member States and across the Union. As with any experiment in a laboratory, the effects of an experiment must be related to a wider (economic, political, cultural, organisational) context to be sustainable. The results of EQUAL must become part of the systematic approach to other policies and programmes, which are carried out on a local, regional, national and European level. At the time of writing, most Development Partnerships are only mid-way through their activities, consequently, many results are still

emerging. Nonetheless it is already clear that mainstreaming the results of EQUAL presents a challenge, and therefore in the second round, this principle will be reinforced.

It is incumbent on Development Partnerships to participate in mainstreaming activities as part of their work programme. On top of this, given the complexities involved, there is additional funding available in EQUAL for mainstreaming activities.

## **4. PRIORITY THEMES**

In this chapter the priorities and the thematic fields are set, the objectives of the measures under each priority and the expected impact are analysed, the allocation of financial resources is presented, while indicatively a series of actions for the implementation of these objectives are described.

### **4.1. PRIORITY 1: EMPLOYABILITY**

The priority includes one measure:

#### **Measure 1.1: Facilitating access and return to the labour market**

##### Aims and Objectives

The measure mainly aims in facilitating access and return to the labour market for those who have difficulty in being integrated or reintegrated in the labour market, which must be open for all.

More specifically, the measure aims at promoting new approaches to support the groups, which are discriminated in the labour market. These approaches concern mainly the private employment services and other professional or voluntary organisations, which deal with counselling and training of groups such as the unemployed, the young, the elderly, the women, the substance misusers, the released prisoners and persons with long lasting health problems. Furthermore, in order to ensure the active participation of the disadvantaged groups at all stages of implementation of the programmes, the improvement of skills of members of these groups for providing mentoring and support will also be promoted.

In addition, the measure aims at promoting the active participation of employers in the programmes of employment enhancement, through a) their engagement in innovative interventions offering professional experience, b)

their awareness and c) the usage of the specialised know-how and the services provided by the employment services.

Finally, it is aimed to develop the skills of a significant number of unemployed who are discriminated, in particular, to specialisations in the social sector of the economy and activities concerning the commercial use of the Internet and new technologies of communications. It is essential to differentiate between the skill levels of the unemployed, given that different methodological approaches are required.

The development of specifications and criteria for the accreditation of the quality of the provided services will secure the anticipated impact on actions and policies.

#### Description and Contents of Measure

Innovative approaches and activities that could be developed and tested within the framework of this measure indicatively include:

##### 1.1.1. Promotion of collaboration and networking of structures for the support of employment

The aim of this action is to strengthen the collaboration and networking between all structures for the support of employment such as the Public Employment Services, private employment offices, local authorities, voluntary organizations and social partners. This collaboration will be based on the effective networking, the exchange of information and the complementarity of the services provided in order to avoid duplication and provide correct information regarding the labour market needs.

##### 1.1.2. Programmes of long-term training in selected areas

One of the characteristics of the disadvantaged groups in the labour market is the low level of qualifications, which in combination with the relatively limited opportunities for training make the integration in the labour market an even

more intense problem. The aim of this action is the implementation of innovative programmes of continuing professional training of medium or long-term duration, which will be combined with periods of placements in enterprises and organisations and in particular in posts, which constitute opportunities of full-time employment. Priority will be given to the sectors of the social economy (child and elderly care, protection of the environment etc), the Internet and information society as a mean of trade and provision of services.

### 1.1.3. Awareness of enterprises and employers

Discrimination in the labour market is to a certain degree the product of biases and negative stereotypes regarding the abilities of individuals in the disadvantaged groups as well as lack of awareness of the social responsibility of enterprises and employers, particularly in the area of employment. This action seeks to promote awareness regarding equal opportunities of employees in the labour market as well as the advantages of using employment offices in recruiting human resources.

#### Allocation of Financial Resources

The total budget for this measure amounts to 1,5 MEURO or 41,464% of the total budget of the CIP.

#### Expected results

The implementation of the measure will have direct and long-term positive consequences on the operation of the employment services and will contribute to faster adoption of new approaches of labour market integration of unemployed and disadvantaged social groups. In addition, awareness raising amongst enterprises and employers with regard to their role in fighting exclusion from the labour market is expected to increase. As regards the targeted groups, it is expected that a significant number of individuals, with equal priority between men and women, will be provided with specialised training, orientation and work experience in sectors of economic activity, which are expected to exhibit a satisfactory rate of growth in the following

years, such as social economy, electronic commerce, Internet, telecommunications etc.

#### Indicators of Effectiveness:

The indicators of effectiveness will be defined and refined in the Programme Complement.

- Number of structures of employment services that will adopt new systems and methods.
- Number of enterprises and organisations that will participate in placement programmes.

## **4.2. PRIORITY 2: EQUAL OPPORTUNITIES FOR WOMEN AND MEN**

This priority includes one measure:

### **Measure 2.1.: Reconciliation of Family and Professional Life**

#### Aims and Objectives

The main objective of this measure is the reconciliation of family and professional life, as well as the re-integration of men and women who left the labour market, by developing more flexible and effective forms of work organisation and support services.

The measure aims at reconciling the family and professional life by developing family friendly forms of organisation of work for women and men, as well as by upgrading the skills of women who have left the labour market, because of family responsibilities. Moreover, the measure includes the implementation of actions for the elimination of stereotypes prevailing as regards the role of sexes in the family and the development of awareness actions for enterprises and employers for confronting problems of reconciliation of family and professional life, and for the creation of supportive services-structures.

Non-governmental organisations of women, social partners, local authorities, but also Public Services are expected to play an active role under this measure.

#### Description and Contents of Measure

Innovative approaches and activities that could be developed and tested within the framework of this measure indicatively include:

##### 2.1.1. Promotion of new forms of organisation of work for the reconciliation of family and professional life

The experience of the Community Initiatives at European level showed that the application of new forms of organisation of work such as the telework, flexible time schedule etc, helps men and women who have the responsibility of child care and other dependent members of family to reconcile professional and family responsibilities. At the same time, the application of such models improves the competitiveness and productivity of enterprises.

The aim of this action is to promote the experimenting of new flexible forms of organisation of work, as well as upgrading the skills of women, who left the labour market because of family responsibilities.

Emphasis will be given to programmes, which will combine the application of new models of organisation of work with activities of upgrading the skills of human resources.

The activity includes the creation of regional and sectoral mechanisms of dissemination and awareness of SMEs for the encouragement of introduction of new models of organisation of work.

This activity is complementary to the mainstreaming measures and the maximum complementarity will be safeguarded by the fact that there is a

single Managing Authority as well as the existing national co-ordination mechanism. Further details will be included in the Programme Complement.

### 2.1.2. Actions for the elimination of stereotypes regarding the role of the two sexes in the family

The aim of the action is the awareness raising with regard to the equal participation of both sexes in family responsibilities.

The action will promote the collaboration between professional associations and enterprises for the pilot application of the use of the right of parental leave for male employees.

Moreover, the action will strengthen the collaboration between professional associations, social partners, educational institutions and training institutions for the designing of educational packages, which will aim at the elimination of the stereotypes for the role of the two sexes in family. At the same time, the awareness of young persons for the equal participation of the two sexes in child care and the care of other dependent family members will be promoted, while it will be attempted to include these educational tools in the educational programmes and in the training programmes.

#### Allocation of Financial Resources

The total budget for this measure amounts to 1,5 MEURO or 41,464% of the total budget of the CIP.

#### Expected results

With the implementation of the measure it is expected that the employment of men and women will be facilitated, in such a way that it will not impede the exercise of their family responsibilities. At the same time useful conclusions will be derived as regards the possibilities of alternative methods of organisation of work. Moreover, new techniques will be promoted for the upgrading of the skills and the re-integration of women who left the labour market because of family responsibilities.



### Indicators of effectiveness:

The indicators of effectiveness will be defined and refined in the Programme Complement.

- Number of enterprises that apply new flexible forms of organisation of work.
- Number of women that participate in new forms of upgrading of skills and re-integration in the employment.
- Number of educational packages, which promote the equality of the two sexes in family and work place.

### **4.3. PRIORITY 3: ASYLUM SEEKERS**

This priority includes one measure:

#### **Measure 3.1.: Helping the Integration of Asylum Seekers**

##### Aims and Objectives

The measure aims at promoting supporting interventions for asylum seekers who temporarily stay in the Reception Centre for Asylum Seekers or in other forms of temporary accommodation until the final assessment of their application. In addition, the aim is to enhance their skills in order to be better qualified to access the labour market in Cyprus or to be better equipped for their integration in their home country if their application is rejected.

The objective is to provide to these persons the necessary psychological support, guidance and training in order for them to become self-sufficient and to be integrated socially and professionally in the Cyprus society and the labour market until the final assessment of their application.

EQUAL can provide valuable input towards improving the reception system for asylum seekers. Activities funded under EQUAL in connection with asylum seekers will be complementary to actions financed under the European Refugee Fund (ERF). Consultations between the parties involved ought to take place in order to ensure a high level of consistency and to avoid duplication of precise measures. Liaison officers between EQUAL/ERF will be appointed with the responsibility of keeping each other informed in relation to actions taken under both programmes. Through close cooperation between EQUAL and ERF development work can be carried out on many fronts to achieve comprehensive solutions.

#### Description and Contents of Measure

Innovative approaches and activities that could be developed and tested within the framework of this measure could be the promotion of programmes for asylum seekers, which will include individualised services such as psychological support, legal counselling, provision of information for employment seeking. The programmes could also promote Greek language classes to enable rapid integration combined with training to develop their skills. Childcare facilities for those whose family responsibilities prevent them from working and educational programmes for children could also be promoted.

#### Allocation of Financial Resources

The total budget for this measure amounts to 0,255 MEURO or 7,049% of the total budget of the CIP.

#### Expected results

With the implementation of the measure it is expected that the integration of asylum seekers in the Cyprus society and the labour market will be facilitated. Asylum seekers will be equipped with useful skills for their repatriation and reintegration in the societies of their home countries. In addition, the services dealing with asylum seekers are expected to be strengthened by gaining experience and know-how in this aspect.

#### Indicators of effectiveness:

The indicators of effectiveness will be defined and refined in the Programme Complement.

- Number of asylum seekers who participate in Greek language classes and training programmes.
- Number of asylum seekers who are provided with individualised counselling services.

#### **4.4. TECHNICAL ASSISTANCE**

Technical assistance includes two measures that are necessary for the support of the implementation of the CI EQUAL.

The total budget for Technical Assistance amounts to 0,362586 MEURO or 10,023% of the total budget of the Programme.

Technical Assistance will be used for any support needed in line with the Commission Regulations (EC) 1260/1999 and 1685/2000 as amended by 448/2004. The activities to be supported will be clearly differentiated between Rule No 11.2 and 11.3.

Taking into account Commission guidelines on EQUAL and the above Regulations, the Technical Assistance activities will fall under two separate measures as follows:

**Measure 4.1.: EQUAL specific support actions and basic administrative and financial TA activities (Eligibility Rule No. 11.2).**

This measure of technical assistance, is available to support:

- expenditure relating to the preparation, selection, appraisal and monitoring of the assistance and of operations (but excluding expenditure on the acquisition and installation of computerised systems for management, monitoring and evaluation);
- expenditure on meetings of monitoring committees and sub-committees relating to the implementation of assistance. This expenditure may also include the costs of experts and other participants in these committees, including third-country participants, where the chairperson of such committees considers their presence essential to the effective implementation of the assistance;
- expenditure relating to audits and on-the-spot checks of operations.

Under this measure advice and support to the DPs regarding the principles and methodology of EQUAL will be provided, in particular thematic networking, co-operation at European level, partnership co-operation, and dissemination and mainstreaming.

TA will also be used in order to support management, implementation, monitoring and control of the Programme, in particular activities related to preparation, selection, appraisal and monitoring of operations, meetings of the Monitoring Committee, and audits and on-the-spot checks of operations.

#### **Measure 4.2.: Complementary TA activities (Eligibility Rule No. 11.3)**

This measure will mainly cover support activities at the Programming level, and will include actions such:

- studies, seminars, information actions, the collection, editing and dissemination of the experience and results;
- support to thematic networking, dissemination activities and the setting up of mechanisms for policy impact;
- co-operation in European networking and ensuring the sharing of all relevant information with other Member States and the Commission
- evaluation,
- the acquisition and installation of computerised systems for management, monitoring and evaluation.

## **5. CONSISTENCY OF THE STRATEGY**

### **5.1. CONSISTENCY WITH THE EUROPEAN AND NATIONAL EMPLOYMENT AND SOCIAL POLICIES**

The external environment in which the Community Initiative EQUAL will be implemented is determined by the context of the employment policy of the EU (European Employment Strategy – EES) and the guidelines set in it. The programme of the Initiative is fully harmonized with the policy context analysed in Chapter 3 of the Community Initiative Programme. In addition, the programme is characterised by complete consistency with the SPD for Objective 3 and corresponds, to a large extent, to the comments of the Commission in the Progress Report on the JAP.

The CIP is also consistent with the following challenges identified in the Joint Inclusion Memorandum (JIM):

- Promotion of employment as a right for all, in particular for vulnerable groups such as women, elderly and disabled through the development of quality employment posts and training programmes.
- Confronting the educational disadvantages effectively and timely, particularly among vulnerable groups, such as early school leavers, children of families with multiple social problems, children who come from different countries with highly diversified linguistic and ethnic background, etc.
- Strengthening of family solidarity with various supportive programmes, which will correspond to the continuing changes of family needs.
- Improvement of the provision of services at the Governmental, non-governmental and private sector through improved mechanisms of co-ordination and flexibility in order to correspond to the current social needs.

With regards to the consistency of the CIP with other national policies and specifically with the Strategic Development Plan 2004-2006, it is obvious that

all general objectives of the SDP (described in section 3.3) are reflected to a great extent to the priorities of the Initiative despite the limited pilot character of interventions.

In conclusion, the selection of the strategy and priorities for the EQUAL Community Initiative is considered justified. In parallel, consistency and cohesion also characterizes the correlation between the general objectives and the measures of the Initiative, as well as their correlation with the corresponding national and community policies.

## 5.2. CONSISTENCY WITH THE HORIZONTAL POLICIES OF THE EUROPEAN UNION

The content of the CIP for Cyprus corresponds, to a great extent, to the horizontal policies of the EU in particular with the ones that are covered by the objectives and priorities of the Initiative. Specifically, as presented in the table below, particular emphasis is given to equal opportunities and to combating all types of discrimination in the labour market as well as to the promotion of employment.

**Consistency of the EQUAL Community Initiative Programme with the Horizontal Policies of the EU**

Thematic Priorities	Measure	Total				Rating
		Employment	Equal Opportunities	Competitiveness	Environment	
TP 1: Improvement of Employability	M1.1: Facilitating access and return in the labour market	1	1			2
TP 2: Strengthening the policies of equal opportunities for men and women	M2.1: Reconciliation of Family and Professional life		1			1
TP 3: Asylum seekers	M3.1: Helping the social and professional integration of asylum seekers		1			1
<b>Total</b>		<b>1</b>	<b>3</b>	<b>-</b>	<b>1</b>	

More specifically, in the area of the policy for the equality of sexes, the efforts for promoting equal opportunities in Cyprus continued through the modernisation of the legislative context and the introduction of the new Law on Gender Equality in Employment of 2002. On the basis of the new Law, a Committee was set up in 2003, in the Ministry of Labour and Social Insurance, and is composed of the competent Government Authorities and Social Partners. The role of the Committee is advisory and its terms of reference, amongst others, are to advise on the formulation and review of the National Policy in the area of gender equality and employment, to make recommendations for the necessity to introduce new or amend existing legislation, to monitor the implementation of gender equality legislation in employment and to promote studies and research. . During the last years the National Machinery for Women' s Rights (NMWR)<sup>11</sup> continued its efforts to eliminate the discrimination and promote equality between men and women through, among others, education and training programmes, awareness campaigns, support and subsidization of women's organizations and mobilization and sensitization of the Government on equality issues.

In the context of the implementation of the Community Initiative, the principle of equal opportunities is considered an important objective in combination with the strategy promoted by the SPD of Objective 3. This strategy provides that the promotion of the objective of equality will be done through specific measures but also with the mobilisation of all available policy tools, measures and programmes.

The support of Development Partnerships, which will be activated in this area is expected to have positive results with regards to the mobilisation of inactive women labour force in Cyprus, but also a more general promotion of the issue of the equality of sexes and the equal participation of men and women in the labour market.

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<sup>11</sup> The National Machinery for Women's Rights was set up in 1994. It is a system of four bodies (Council for Women's Rights, the Ministerial Committee for Women's Rights, the



## Gender mainstreaming

Gender mainstreaming is a tool which will be applied in the Cyprus EQUAL Programme to achieve equality between women and men which goes beyond promoting equality through the implementation of specific measures to help women, and mobilises all general policies and measures specifically for the purpose of achieving equality by actively and openly taking into account, at the planning stage, their possible effects on the respective situation of men and women (gender perspective). This means systematically examining measures and policies and taking into account such possible effects when defining and implementing them (COM (96)67final: Incorporating equal opportunities for women and men into all Community policies and activities).

The Cyprus EQUAL Programme supports both specific measures to improve women's access to and participation in the labour market, as well as gender impact assessment in order to take into account, within all measures, equal opportunities for women and men as part of the mainstreaming approach.

The Managing Authority will take steps to ensure that gender perspective and promotion of equal opportunities will be taken into consideration when planning, selecting, implementing and evaluating the DPs, as well as when the good practices will be mainstreamed. National expertise on gender mainstreaming will provide guidance for example to DPs, the selection committee, Managing Authority, NSS and evaluators when implementing gender mainstreaming. DPs will be advised to take gender perspective into account in their work plans. In the selection process, DPs contributing to gender equality will be given priority under all themes. Gender balance will be sought in the composition of the Monitoring committee, and other supporting structures to EQUAL. Indicators used to evaluate the impact of the interventions will be split by gender. When mainstreaming the results, special attention will be paid to good practices promoting gender equality.

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National Committee for Women's Rights and the General Secretariat of the NMWR) that

The goal of pursuing gender mainstreaming has been incorporated for the first time in the National Development Plan (1999-2003) under the chapter on Women and Development.

The Republic of Cyprus acknowledges that an important component of the new strategy of gender mainstreaming is to set up mechanisms that will allow gender issues to be integrated into key sectors of the Government, as well as the private sector and civil society. To this end, it has developed close collaboration between Government Departments and the National Machinery for Women's Rights (NMWR) on the one hand, and other agencies, academic institutions and NGOs on the other.

A consultancy visit by Professor Teresa Rees - a University of Cardiff Social Scientist and expert on Gender Mainstreaming - took place in June 2001 in order to assist the NMWR in the development of a framework for a project on gender mainstreaming in Cyprus.

Based on a 3-year plan on gender mainstreaming which has been developed, the NMWR in collaboration with the British Council in Nicosia, have organised a training programme on gender mainstreaming for the Gender Focal Points of the Ministries as well as an awareness raising session on gender mainstreaming for high-ranking officials (April 2002). A follow-up seminar has been organised in June 2002. Now, in collaboration with the British Council again, the NMWR is in the process of organising a specialised training programme on gender budgeting.

### **5.3. INTERNAL CONSISTENCY OF THE COMMUNITY INITIATIVE PROGRAMME**

The following table illustrates the consistency between the measures and the objectives of the CIP.

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comes under the auspices and chairmanship of the Minister of Justice and Public Order.

**Table of Consistency of Operational Objectives (Measures) and General Objectives and Priorities**

Measures	OBJECTIVES								
	STRATEGIC OBJECTIVE	GENERAL OBJECTIVES			Thematic Priorities			TOTAL	
	Combating all form of discrimination and inequality in the access for the labour market	Facilitation of the access and return to the labour market those people who have difficulties integrate / reintegrate in employment.	Support of the adaptability of enterprises and employees to the structural changes and the use of information technology and other new technologies	Encouragement of the elimination of professional desegregation as well as reconciliation of family and professional life	Improvement of Employability	Strengthening of policies for equal opportunities for men and women	Asylum Seekers	Technical Assistance	
M1.1: Facilitating the access and return to the labour market	√	√	√	√	√	√			<b>6</b>
M2.1: Reconciliation of Family and Professional life		√		√		√			<b>3</b>
M3.1: Helping the integration of Asylum Seekers	√	√			√		√		<b>4</b>
<b>TOTAL</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>-</b>	

In general, the goals of the Programme and the further specialisation of objectives and measures exhibit logic consistency, cohesiveness and complementarity. In addition the Programme is fully consistent with the SPD for Objective 3, which complies with the needs of the Cyprus labour market, as identified in the description of the existing situation and the SWOT analysis.

Generally, the Community Initiative Programme corresponds to combating any form of discrimination in the labour market, as well as the improvement of employability of the disadvantaged groups. Given the nature of the interventions of the Initiative, which mainly promotes DPs of pilot character, as well as the limited financial resources available, an effort was made to concentrate the measures to areas of high priority. This will avoid the

disaggregating of the efforts of the organisations, which will form Development Partnerships.

The SPD for Objective 3 complements the Community Initiative EQUAL strategy through the promotion of equal opportunities for access to the labour market for all, especially for those threatened with social exclusion and through the promotion of access of women to the labour market.

The analysis of the information included in the table above, shows clearly that the selected measures of the programme are strongly consistent with the objectives and the priorities of the Initiative with exemption the measure for Technical Assistance, which has a special goal to enhance the implementation, registration and evaluation of the interventions of the Community Initiative.

It is also clear that through the implementation of the actions of the Initiative in Cyprus, the organisations activated in the selected areas will strengthened their potentials and will be in position to implement similar interventions, of an integrated character, in the future.

In general terms, the internal consistency of the Initiative is concentrated to actions promoting the integration in the labour market of people who face particular difficulties of access, especially women and people who are threatened by exclusion.

## **6. PHASES UNDER EQUAL**

EQUAL will fund activities implemented by strategic alliances called Development Partnerships. The objective of partnership in EQUAL is to bring together actors who cooperate on the basis of a common strategy to develop an integrated approach to multi dimensional problems of discrimination. Thus, Development Partnerships will be pooling their efforts and resources in pursuit of innovative solutions to jointly defined problems and common goals.

This necessitates the involvement of a wide range of actors; and it will be ensured that those involved in the implementation of activities will also take part in decision making; on the basis of a commonly agreed (and written) work programme; which includes partners from other Member States.

EQUAL partnerships bring together very disparate groups, many of whom have not previously collaborated, combining skills and resources among a multiplicity of actors within society.

EQUAL will fund three types of activity of the Development Partnerships:

- setting up of Development Partnerships, developing a joint strategy and action plan, agreeing on a work plan for trans-national co-operation (so called Action 1);
- implementing the work programmes of the Development Partnerships (so called Action 2);
- thematic networking, dissemination of good practice and making an impact on national policy (so called Action 3)

### **6.1. SELECTION CRITERIA**

The selection criteria, which are described below, aim towards achieving transparency and objectivity. The applications will be assessed based on the following indicative criteria:

- Purpose/rationale
- Work programme
- Budget
- Timetable
- Role of each Partner
- Policy need, impact and relevance
- Innovation
- Partnership
- Trans-national partnership
- Dissemination and networking
- Empowerment
- Compliance with national and EU policies

The criteria will be presented in more detail in the Programme Complement and included in all guidance issued to applicants.

## **6.2. SETTING UP DEVELOPMENT PARTNERSHIPS AND TRANS-NATIONAL CO-OPERATION (ACTION 1)**

This phase aims to facilitate the creation and consolidation of durable, effective Development Partnerships (DPs) and to ensure that trans-national cooperation will have a real added value.

### Application for EQUAL:

There will be a single selection procedure for funding under the second round of EQUAL. It will be based upon an application submitted jointly by a number of organisations (Development Partnership initiators).

The application should identify:

- The partners to be involved in the DP at the outset; the arrangements for ensuring that all relevant partners can become involved during the

life of the partnership including, in particular, appropriate small organizations; and the arrangements for handling the administrative and financial responsibilities

- The rationale for the partnership, a diagnosis of the problem to be addressed and an explanation of how the needs of all the potential beneficiary groups will be taken into account.
- The objectives of the partnership
- An assessment of the relevance of the problem addressed and of the solution to be tested, an explanation of how discrimination and inequality will be tackled, and an outline of how the results could be disseminated and transferred to policy and practice;
- An outline of the activities foreseen for developing and testing the innovative approach for the entire period, including an indicative budget (estimate);
- A detailed work plan, methodology and management tools for developing and finalising the Development Partnership Agreement, including budget
- The nature of the activities intended to be implemented
- The expectations for the trans-national cooperation

#### Selection for EQUAL:

The procedures for selecting Development Partnerships fall within the competence of the Managing Authority and it will be based upon the application submitted jointly by a number of organizations, which form the Development Partnership. The selection criteria will reflect the general principles of EQUAL. The Managing Authority will ensure that there is no conflict of interest in the selection procedure. Unsuccessful applicants will be given reasons for their non-selection and be informed of the appeal.

Once DPs have been selected, their expenses become eligible and they will be required to achieve 'milestones' in the operation of their work programme.

The initial milestone is the creation or consolidation of a sustainable, effective Development Partnership and its strategy including trans-national co-operation which will have a real added value. The time period available for this will be determined by the quality and speed at which each Development Partnership achieves agreement with all partners on the draft Development Partnership Agreement (below). The draft Development Partnership Agreement should immediately be submitted to the Managing Authority.

Managing Authority will assure the completion of the EQUAL Common Data Base (ECDB). Data on Development Partnerships will be entered into the ECDB by December 15, 2004, so that when the "trans-nationality window" is opened all Development Partnerships have an equal chance to find trans-national partners and finalise their Development Partnership Agreement.

The Managing Authority will be providing sufficient support to enable Development Partnerships to conclude their Development Partnership Agreement as quickly as possible. Failure to submit a Development Partnership Agreement will lead to de-selection, after which expenditure will no longer be eligible.

Upon receipt of the Development Partnership Agreement, the Managing Authority will confirm, normally within 8 weeks, the initial selection of the Development Partnership, including the multi annual budget available to implement the work programme.

Subsequent milestones relate to a review of the implementation of the work programme as set out in the Development Partnership Agreement. Where there is a financial consequence to the non-performance of activities, the Managing Authority may realign the budget accordingly. These reviews will be conducted regularly, at least at 12 month intervals.



## Submission of Development Partnerships Agreements (DPA) including Trans-national Cooperation Agreements (TCA)

At the end of this phase, the DP must submit the DPA including the TCA in order to have selection confirmed and receive funding for the implementation phase :

The **DPA** should contain as minimum the following:

- An assessment of current labour market exclusion, discrimination and inequality within the thematic field and sector concerned;
- A stakeholder analysis; identifying and discussing the interest and expectations of people, groups, or organisations that may influence or be influenced by the solution to be developed and tested, and a description of the roles of relevant stakeholders in the work of the Development Partnership;
- Objectives and priorities for action, reflecting the learning from previous relevant action in the sector;
- A description of the assumptions, risks and flexibility requirements;
- A detailed work programme accompanied by a realistic budget, both broken down by national and trans-national activities/costs;
- A clear identification of the role of each partner including the arrangements for steering and managing the partnership and administering the financial support;
- A mechanism for on-going assessment including the presentation of data and information on the DP and the analysis of results;
- The corresponding methodology and mechanisms for monitoring and assessment of joint activities in the trans-national co-operation;
- The commitment of the DP including their trans-national partners;

- Its strategy and mechanisms for implementing a gender mainstreaming approach;
- The **TCA** which should contain:
  - A trans-national work programme accompanied by a budget;
  - The added value of the trans-national activities;
  - The contribution and role of each trans-national partner, the common methods of decision making and the organizational arrangements for implementing the common work programme;
  - The methodologies for monitoring and assessment of joint activities.

This Trans-national Co-operation Agreement must be presented on the basis of the common format described in the Guide on Trans-nationality, and must be entered into the common database 'EQUAL trans-national co-operation internet module' (ETCIM). A paper version of the database entry should be annexed to the draft Development Partnership Agreement.

The DPA including the TCA must also demonstrate that the DP fulfils the following conditions:

- Financial viability: the availability of the necessary co-financing.
- Transparency: Public access to the results obtained (products, instruments, methods, etc.).
- Capacity-building and empowerment: The Development Partnership has the capacity to mobilise and enable different actors to work together effectively around their common strategy. Particular attention will be given to the arrangements for ensuring that all relevant actors, such as: public authorities; the public employment service; NGOs; the business sector (in particular small and medium sized enterprises); and the social partners, can become involved during the life of the partnership.

The Development Partnership must show that all partners have fully participated in the planning and development of the Development Partnership Agreement.

- Learning spirit: the capacity and willingness to learn from others, and to actively co-operate in networking, dissemination and mainstreaming activities at both national and European level.

The Managing Authority will confirm the initial selection of the DP if the above conditions are fulfilled and notify it of the multi-annual budget available to implement its work programme.

Unsuccessful DPs would be given reasons for their non-selection. In addition, they would be informed about the appeals procedure.

- **Setting up Development Partnerships and Trans-national co-operation will start at the last quarter of 2004 and it is not expected to exceed 6 months.**

### **6.3. IMPLEMENTATION OF THE WORK PROGRAMMES OF DEVELOPMENT PARTNERSHIPS (ACTION 2)**

This is the main stage of implementation of the work of DPs. If the results obtained by a DP justify an extension, a further grant could be approved, along with an extension of the period of financing for the DP.

- **The Implementation of the work programmes of Development Partnerships will start immediately after the completion of the setting up Development Partnerships and Trans-national co-operation and will last for a period of three years maximum.**

#### **6.4. THEMATIC NETWORKING, DISSEMINATION OF GOOD PRACTICE AND MAKING AN IMPACT ON NATIONAL POLICY (ACTION 3)**

It aims to inform, influence and change labour market and employment policy and practice. This impact is achieved through networking, dissemination and mainstreaming. It will be done, among others, through seminars and workshops, monitoring visits to DPs and identifying and disseminating good practice.

The Managing Authority is responsible for co-ordinating these activities to make sure that they provide substantial contribution to the development of local, regional, national and European policy. This requires the active involvement of DPs.

More specifically, mechanisms will be established (*i.e.* the Monitoring Committee) which will facilitate mainstreaming at both horizontal level (the level of organisations active in the same or similar field) and the vertical level (the level of regional and national policy including the NAP and the Structural Funds). These mechanisms will aim to:

- Identify factors leading to inequality and discrimination in connection with the labour market and monitor and analyse the impact or potential impact of the DPs on policy and on the different groups subject to discrimination and inequality;
- Identify and assess good practice and benchmark performance;
- Disseminate good practice from the end of the setting up of Development Partnerships and Trans-national co-operation and also parallel to it in case of mainstreaming former national or European good practice.

In order to enhance mainstreaming of innovations and upon receipt of a proposal from Development Partnerships acting either singly or in groups, or ad hoc consortia of Development Partnership partners, multipliers and experts, the Managing Authority may agree to fund additional activities for assessing, presenting and promoting the evidence for good practice at national or European level including

- the validation of the innovation;
- benchmarking innovation against existing approaches nationally and in other Member States;
- dissemination of the innovation to additional actors concerned with the discrimination tackled;
- demonstration and transfer of good practice including mentoring;
- integration of experience and lessons learnt from outside EQUAL.

Managing Authority may also fund additional mainstreaming activities by Development Partnerships as part of the collaboration within European thematic groups.

- **The Managing Authority is committed to start the thematic networking, dissemination of good practice and making an impact on national policy at the same time as the implementation of the work programmes of Development Partnerships or in parallel to the setting up of Development Partnerships and Trans-national co-operation in cases of mainstreaming of former national or European good practices .**

## **6.5. TECHNICAL ASSISTANCE**

Technical Assistance is an essential element for the effective implementation of the Programme, which due to its innovative and complex character will require support activities for the Development Partnerships and the Managing Authority.

The technical assistance will finance, inter alia, the activities described in measure 4.1 and measure 4.2. All activities listed will include all categories of costs, where appropriate (salaries, travel, running costs, low-value assets, costs for external services, office and telecommunications costs, depreciations and overheads). Where goods or services need to be purchased, the European and national rules of public procurement will be applied.

### **Measure 4.1.: EQUAL specific support actions and basic administrative and financial TA activities (Eligibility Rule No. 11.2).**

1. establishment of a monitoring system for EQUAL
2. organisation of meetings of the Monitoring Committee and of the adhoc groups and Committees within the Monitoring Committee, their secretariat and expertise
3. support in handling proposals and assessment of proposals
4. preparation of methodological tools for DP's related to management, implementation, monitoring, mainstreaming, and trans-national cooperation
5. guidance to DPs in setting up partnerships, and achieving the milestones of their work plans
6. support to DPs in establishing trans-national partnerships, and in effective trans-national co-operation

7. support to DPs in strategy development, planning, monitoring and self-assessment of their activities and achievements
8. support to DPs in organizational and financial aspects
9. support to DPs in horizontal and vertical mainstreaming
10. verification of payment claims
11. audits and on the spot checks
12. preparation of call (s) for tenders for external service providers
13. preparation of annual reports to the Commission
14. collecting information requested by the Commission or national administration

**Measure 4.2.: Complementary TA activities (Eligibility Rule No. 11.3)**

1. preparation and dissemination of general information about EQUAL activities through seminars, publications, media; according to the EQUAL strategy for information and publicity
2. development of guidelines and support materials for DPs
3. support to develop, monitor and implement a national mainstreaming strategy
4. organisation of seminars, workshops and conferences related to the identification, validation and dissemination of good practices
5. support to establishing and running national thematic networks
6. organisation of conferences related to mainstreaming activities
7. participation in European meetings

8. organisation of information and exchange visits at national and transnational level

9. support in comparative assessment of results; organisation of peer reviews, support in benchmarking

10. external programme evaluation (tender)

11. acquisition and installation of computer software and hardware necessary for management, monitoring and evaluation

**The indicative proportion of the budget to be allocated to Technical Assistance amounts to 10,023% of the total funds available for the CI EQUAL.**



## **7. CIP IMPLEMENTATION**

### **7.1. INTRODUCTION**

The present chapter sets out the implementing provisions for the Cyprus EQUAL Community Initiative Programme for the period 2004-2006, which were developed according to the basic principles of the Council Regulation 1260/99 referred above, as well as the relevant provisions of the implementing Regulations of the European Commission

The management and implementation system of the Programme has taken also into consideration the existing institutional framework for the programming and implementation of development programmes of the Republic of Cyprus in order to avoid the creation of parallel structures. In this respect, it is noted that the relevant departments and other bodies of the public sector of the Republic of Cyprus have a long experience in the programming and implementation of programmes and projects which have been financed both from the government budget and from funds of the EU or other international financing institutions. During the pre-accession period, the relevant authorities of the Government of the Republic of Cyprus, within the framework of the commitments that have been undertaken in the accession negotiations, have already proceeded to take the appropriate measures in order to adapt the existing mechanism for the management of funds to the requirements of the relevant Regulations of the EU.

The provisions of the present chapter can be amended in the context of the partnership arrangements, following a proposal by either the relevant authorities of the Republic of Cyprus or the European Commission.

During the course of the implementation of the CIP, the relevant national authorities may adopt all the appropriate measures, so as to ensure the compliance with the principles of sound and efficient management of funds.

## **7.2. MANAGING ARRANGEMENTS**

### **7.2.1. Managing Authority**

The Planning Bureau has been designated as the Managing Authority of the Programme, in accordance with the Decision of the Council of Ministers of the Republic of Cyprus No 55.114 dated 12.2.2002. The Permanent Secretary of the Planning Bureau has overall responsibility for the operation of the Managing Authority and will represent it towards the European Commission. The responsible political authority for the Planning Bureau, according to Public Service Law 1/1990 of the Republic of Cyprus, is the Minister of Finance, to whom the Planning Bureau reports directly. It is noted that the Planning Bureau constitutes also the Single Managing Authority for all the other interventions (SPD of Objective 2, objective 3 and Fisheries as well as Community Initiative INTERREG III) that will be co-financed by the Structural Funds of the EU in Cyprus.

The tasks and the organizational structure of the Managing Authority have been approved by the Council of Ministers of the Republic of Cyprus in its Decision dated 30.4.2003.

#### Tasks and Responsibilities

The Managing Authority shall be responsible for the efficiency and correctness of the management and implementation of the Programme. The responsibilities and tasks of the Managing Authority are specified in Article 34 of the Council Regulation 1260/1999. Taking into consideration the existing institutional and financial framework in Cyprus as well as the nature of Measures of the CI EQUAL, the Managing Authority has delegated certain of its tasks to the Ministry of Labour and Social Insurance (MLSI), a description is provided in Chapter 7.5. The Managing Authority is responsible for taking the following measures:

1. The setting up of a system for gathering reliable financial and statistical information and data on the implementation, monitoring indicators and evaluation, as well as for forwarding this information and data to the European Commission in accordance with the arrangements that will be agreed, using where possible IT-based systems (*Council Regulation 1260/1999, article 34 paragraph 1a*). In this context, the Managing Authority:
  - 1.1 Has the overall responsibility for the setting up and operation of an IT-based Management Information System (MIS), which will cover all the interventions that will be co-financed by the Structural Funds of the EU in Cyprus. It will ensure that the MIS responds to the needs of: the Monitoring Committee, the Paying Authority, the Auditing Authorities and the European Commission.
  - 1.2 Keeps detailed monitoring data and information in the MIS with monthly expenditure reports, quarterly and semi-annual monitoring progress reports based on the information and data that each DP is obliged to provide. It also sets the framework within which the *MLSA* will maintain detailed monitoring data and information for the Measures that it manages.
  - 1.3 Checks the reliability of the submitted data with standardised controls and sample audits that carries out via the MIS.
  - 1.4 Ensures that the *MLSA* and the DPs comply with the obligations for submitting all the necessary information and data in order to secure the co-financing of DPs from the Government Budget.
  - 1.5 Forwards to the European Commission all the standardised files (flat files) that will be envisaged in the arrangements agreed between the relevant Authorities and European Commission for computerized exchange of data. The above files will be produced by the MIS.
2. The drafting of the Programme Complement and its possible adjustments and its submission for approval to the Monitoring Committee and subsequently to the European Commission for information purposes, (*Regulation 1260/1999, Article. 34 par. 1b* and

par. 3). The MLSI will forward to the Managing Authority all the information, which is required for the preparation of the Programme Complement and which concerns the Measures within its responsibility, as well as proposals for their possible readjustment or modification.

3. The safeguarding of the correctness and the effectiveness of the implementation of the Measures of the Programme Complement (Council Regulation 1260/1999, article. 34 par. 1b and par. 3). In this context the Managing Authority:

3.1 Issues guidelines to the MLSI and the DPs regarding the implementation of the Programme according to the Regulations of the EU.

3.2 Manages the measures of the Programme, selecting the operations under which the DP will be funded according to the procedure that will be described in more detail in the Programme Complement.

3.3 Ensures that the MLSI takes all the necessary measures for the effective monitoring of the DPs.

3.4 Conducts the first level of controls, as specified in par. 7.2.2.

4. The drafting and submission to the European Commission of the Annual and Final Implementation Reports, following its approval by the Programme Monitoring Committee (Council Regulation 1260/1999, article 34 par.1c and article 37). In this context, the Managing Authority:

4.1 Prepares the Annual Implementation Reports as well as the Final Implementation Report, based on the data that are entered in the MIS and/or any other information/data that the MLSI and the DPs are obliged to submit.

4.2 Ensures that the MLSI, the DPs and the Paying Authority forward all the necessary information and data for the drafting of Annual Implementation Reports as well as the Final Implementation Report.

4.3 Submits for approval to the Monitoring Committee the Annual Implementation Reports and the Final Implementation Report.

- 4.4 Submits the above Reports to the European Commission (including the exchange of electronic data).
5. Cooperation with the European Commission for the ex post evaluation of the Programme according to article 43 of Council Regulation 1260/1999.
6. The maintenance of appropriate accounting coding system for all transactions relating to the Programme. In this context, the Managing Authority ensures that:
- 6.1 The DPs maintain separate accounting system or adequate accounting coding for the co-financed operation.
- 6.2 For the DPs that do not maintain a separate accounting system, the Managing Authority, upon approval of the work programme of the DP, will provide an accounting code which the DP is obliged to maintain.
7. The establishment of internal control measures for the correct financial management and adoption of measures for modification/adjustments or possible financial corrections that may be required.
8. Ensurance of the compliance with the National and Community policies, of operations that are financed by the Programme (Council Regulation 1260/1999, article 12 and article 34 par 1f), provided that this compliance constitutes a pre-condition for the provision of contribution from the Structural Funds. The Managing Authority ensures that the Final Beneficiaries, as well as the Final Recipients comply with the obligations that arise from the National and Community legislation, and more specifically regarding Public Contracts, Environment, State Aids and Equality between Men and Women according to the procedures that are presented in par. 7.7. In this context, the Managing Authority:
- 8.1 Takes the appropriate measures in order to support the MLSI and the DPs so that they are in a position to perform their tasks.

- 8.2 Carries out preventive checks during the selection procedure and other controls during the implementation and completion of the operations.
9. The design, implementation and monitoring of the Programme procedures for publicity in cooperation with the European Commission, and formulation of a framework of publicity principles for the MLSI and the DPs so as to ensure the compliance with the obligations regarding the information and publicity, as set out in par. 7.9. In this context, the Managing Authority:
- 9.1 Issues the appropriate guidelines to the MLSI and DPs for the compliance with the provisions that are included in the Programme Complement based on the principles of Council Regulation 1159/2000 and co-operates with the European Commission for the co-ordination of the publicity actions related to the CI.
- 9.2 Carries out the necessary sample and other checks and cooperates with the European Commission for the co-ordination of the publicity actions related to the CI.
- 9.3 Monitors the correct compliance of the DPs with the obligations concerning the information and publicity, according to article 46 of Council Regulation 1260/1999 and Council Regulation 1159/2000.
10. The chairing and secretarial support to the meetings of the Monitoring Committee of the Programme.
11. The organisation of the Annual Review Meeting with the European Commission and the monitoring of the implementation of its justified recommendations (Council Regulation 1260/1999, article 34 par.2).
12. Develop selection procedures and criteria for the selection of DPs, with the help of the National Support Structure (NSS).

13. Organise an appeals procedure, with the help of the National Support Structure (NSS).
14. Assess Trans-national Cooperation Agreements as a part of DPA involving DPs from other countries, with the help of the National Support Structure (NSS).
15. Make sure that policy makers involved in the preparation of the NAP for Employment and Objective 2 and 3 programmes receive input from EQUAL.
16. Prepare a mainstreaming plan.
17. Organise, coordinate and manage national thematic networking groups, with the help of the National Support Structure (NSS).
18. Establish appropriate links with European Thematic Groups (ETG's).
19. Dissemination, with the help of the National Support Structure (NSS).
20. Audit trail (Art.7 of Reg. 438/2001).
21. The retention of documents according to Reg. 2355/2002 and Art. 38 (6) of Reg. 1260/1999.

### Organisational Structure of the Managing Authority

The main responsibility for the operation of the Managing Authority will be taken up by the Structural Funds Unit, which is set up within the organizational structure of the Planning Bureau. All Directorates of the Planning Bureau will also contribute, in accordance with their existing responsibilities (sectoral policy, macroeconomics, budget, technical assistance, etc), to the fulfillment of tasks of the Managing Authority. The above Unit consists of four Subunits

to which, a number of duties have been assigned and will function in a complementary way. Each Subunit will be divided into a number of teams. The organigramme of the Structural Funds Unit is presented in Annex D. The four Subunits will be responsible for the following:

#### A. Subunit for Programming and Evaluation

This Subunit will be responsible for the following:

- Drafting and/or adjustment of Programme Complement, Council Regulation 1260/99 article 34 1b
- Appraisal and pre selection of operations
- Annual Implementation Reports and Final Implementation Report of Programme, Council Regulation 1260/99 article 34 1c and 34.2
- Information and publicity of the Programme, Council Regulation 1260/99 article 34 1g
- Support of the meetings of Monitoring Committee
- Forwarding of standardised files, Council Regulation 1260/99 article 34 1a
- Evaluation and Monitoring at Programme level

#### B. Subunit of Monitoring, Implementation at a DP Level

This Subunit will be responsible for the following:

- Implementation of Programme Complement, Council Regulation 1260/99 article 34 1b with regard to the final approval for financing DPs
- Collection of data at DP level, (Council Regulation 1260/99 article 34.1 a)
- Maintenance of accounting records, (Council Regulation 1260/99 article 34.1 e)



- Ensuring of correctness and effectiveness, Council Regulation 1260/99 article 34.1 f
- Compliance with National and Community policies
- Compliance monitoring concerning information and publicity obligations, (Council Regulation 1260/99 article 34 h)
- Provision of information

### C. Control Subunit

This Subunit is responsible for the following:

- Ex Ante controls, (Council Regulation 1260/99 article 34 1f)
- Control during the implementation and the completion of operations (Council Regulation 1260/99 article 34 1f)
- Internal control of the Unit functions
- Corrective measures (Council Regulation 1260/99 article 34 1f)

### D. Subunit for Organisation, Technical Support and MIS

This Subunit will be responsible for the following:

- Preparation and implementation of technical assistance activities for the support of the Managing Authority, the Ministry of Labour and Social Insurance and the Development Partnerships
- Preparation of Manuals and Guidelines
- Management Information System (MIS): operational support; Helpdesk, etc
- Managing Authority functions support

## Staffing of the Managing Authority

The Structural Funds Unit of the Planning Bureau, which will undertake the tasks of the Managing Authority, will have staff with graduate and post-graduate education as well as supporting staff as follows:

- Head – Coordinator
- Officers of the Planning Bureau with experience in issues of regional policy, structural funds of the EU, monitoring and evaluation, appraisal of projects, etc.
- Qualified Accountant
- Legal Advisor
- I.T. Officer
- Supporting staff

This structure can be amended according to the need for the better operation of the management system.

### 7.2.2. Control Arrangements

The following sections outline the control and audit system established in Cyprus which will also be applied to the EQUAL CIP. More specifically, the arrangements for management and control will be described in more detail in the document submitted according to Art. 5 of Regulation 438/2001 of 2 March 2001 (amended by Regulation 2355/2002 regarding Management and Control Systems).

#### 7.2.2.1. Audits/Controls

According to article 38 par.1 of Council Regulation 1260/99, the Member State is responsible to exercise financial control on Programmes. It acts, in close cooperation with the European Commission, in a way that it ensures that Community funds are used correctly and efficiently, in accordance with the principles of sound financial management. According to article 34 of the

same Regulation, the Managing Authority of the Programme has the overall responsibility for the correctness of co-financed projects/actions and the implementation of internal controls. It is also responsible for the justifications and answers, which are given to observations and to the request for corrective measures made by the European Commission according to article 38 par.4, section (a) of Council Regulation 1260/99 or in the recommendations for adjustments which are made in accordance to article 34 par. 2 of the same Regulation. For the effective exercise of controls on Structural Funds, Cyprus implements a three level system of controls:

- The first level is an internal audit exercised by the Managing Authority of the Programme. For the Measures that the responsibility lies with the MLSI the audit is exercised by the MLSI while the Managing Authority conducts sample checks. This includes the audit of all projects/DPs regarding the physical, financial and accounting correctness where the implementation takes place as well as at the head office of the DPs that have in their possession the original DPs documents of expenditure according to Art.4 of Council Regulation 438/2001 (amended by Regulation 2355/2002).
- The second level of audit concerns the analysis and evaluation of the system of the first level audits and when necessary enters into the decisions taken by the managing bodies, as well as the audit of the DPs. The Paying Authority of the Programme conducts the audit at this level according to Art.9 of Council Regulation 438/2001 (amended by Regulation 2355/2002). For this purpose, the Paying Authority may use existing national administrative authorities.
- The third level of audit concerns the overall co-ordination of audit systems as well as specialised inspections and is conducted by an Independent Audit Authority of the government (Directorate of Internal Audit). It conducts audits on the Managing Authority, the Paying Authority, the MLSI and the DPs in order to ensure the sound and

effective financial management. It also conducts sample checks on projects/DPs according to the provisions of Article 10 of Council Regulation 438/2001 (amended by Regulation 2355/2002 regarding Management and Control Systems) or the Regulation in force at the time that the audit is conducted.

For the conducting of specialised audits at all levels, the services of external auditors or private audit companies can be used. The European Commission, in the context of exercising its duties as the custodian for the correct implementation of the general budget of the EU, ensures that the management and control system exists and operates well, so that Community funds are used properly and effectively. To this effect, with the reservation of the audits performed by the national audit authorities and their conclusions, employees or representatives of the European Commission may conduct on the spot checks, especially sample checks, on all actions that are financed by the Structural Funds, as well as on the management and control systems, with advance notification of at least one working day. The European Commission notifies the Managing Authority for this event so that it is availed of all possible assistance. Employees or representatives of the Member State may participate in these audits. The European Commission may ask the Member state to conduct an on the spot audit in order to be assured of the legality of one or more actions. Employees or representatives of the European Commission may participate in these audits.

### First level of audit

#### Ex-ante audit

The Managing Authority checks, prior to the approval of a DP (including the projects / actions which, are being implemented at the time the application is presented), all the preparation stages for the implementation of the DP. For the Measures that the responsibility lies with the MLSI, the latter conducts first the ex-ante audits. The Managing Authority in this case ensures that all procedures are followed. More precisely, it ensures that:

- a) The DP has taken all the measures that could lead to the selection of contractors capable of responding to the requirements of the project,
- b) All measures have been taken to ensure the enforcement of the existing legislation.

#### Audit at the implementation stage of the DP

The control on during the implementation of the DPs is ensured continuously by checks that are conducted through the MIS. On the spot checks will be conducted at least once, as a general rule, for every DP. Regarding low-budget and small-duration actions, especially those that are financed in the framework of the regime of state aids or by the ESF, on the spot check is conducted at the level of the DP. The audit includes:

- The audit of the legality and regularity of actions and procedures.
- The audit of the reliability of information that is reported by the DP.
- The audit of the observance of the commitments that have been undertaken by the DP.
- The audit of compliance with the rules of publicity.

Each audit becomes the object of a standardised audit report, which is recorded in the MIS.

#### Audit at the stage of completion of the DP

Following the declaration of the DP completion, the Managing Authority conducts on the spot audit of the DP with regard to the physical and financial indicators as well as the operational result, taking into consideration the approved DP documents and the data stored in the MIS. It signs a statement of compliance with the obligations, which accompanies the file of completion (closure) of the DP, and this statement is recorded in the MIS. The results of the audits are recorded in the MIS. The Managing Authority informs the European Commission about the conclusions of the audits as well as about

the administrative or judicial actions that had to be undertaken as a consequence of these conclusions.

### Second level of audit

The financial audit is exercised by the Paying Authority. Apart from the preliminary audit of each payment (audit for the cross-checking of information), the Paying Authority conducts sample audits of documents in the context of its responsibilities. The Paying Authority should provide all necessary data for the submission of the statement that is provided in article 38 paragraph 1, note f. of Council Regulation 1260/99 to the Ministry of Finance. The results of the audits of the Paying Authority are recorded in the MIS and are communicated to the Managing Authority, the Monitoring Committee, the DP and the European Commission. In the case where an irregularity is spotted, with the reservation of the right of defence of the interested party and after asking the opinion of the Managing Authority, the Paying Authority on its own initiative, or on the proposal of other involved authorities (Managing Authority, Monitoring Committee) may proceed to the suspension and possibly the cancellation of funding.

### Third level of audit

This audit includes:

- The conduct of checks on the systems of audits, and audits on the legality and regularity of the entire spectrum of activities that are developed within the framework of the Programme.
- The conduct of sample checks for each Programme according to the provisions of Council Regulation 438/2001 (amended by Regulation 2355/2002 regarding Management and Control Systems) or of the Regulation that is in force at the time of conducting the checks.
- The evaluation of results of audits that were conducted at the first and second level of audit.

- The evaluation of activities and measures that were adopted so as the authorities involved would comply with the conclusions of the audits.
- The monitoring of the administrative and judicial prosecutions in cases of irregularity and the instruction/order of the Paying Authority for the recovery of sums that have been collected.
- The communication to the European Commission, of the information that is provided in article 38 par.1 section f of Council Regulation 1260/1999.
- The submission of the statement that is provided in article 38 par. 1, note f, of Council Regulation 1260/1999.

#### 7.2.2.2. Independent Auditing Authority

The Independent Auditing Authority for the present Programme, which is designated to undertake the carrying out of the third level of audit, is the Directorate of Internal Audit of the Treasury of the Republic. This responsibility will be transferred to the new Independent Internal Audit Service, which was established in 2003. The tasks of the Independent Auditing Authority have been approved by the Council of Ministers in its Decision dated 30.4.2003.

#### Functions/Responsibilities

The functions of the Independent Audit Authority are:

1. The organisation and carrying out of sample audits as provided in article 10 of E.U. Regulation 438/2001 (amended by Regulation 2355/2002 regarding Management and Control Systems).
2. The carrying out of audits of the systems of management and audit of the Programmes of Article 10-12 of Regulation 438/2002.

3. The submission of the winding up declaration for the closure of the assistance as it is envisaged in Article 38 par.1 (e) of Regulation 1260/1999 and in article 16 of Regulation 438/2001 (amended by Regulation 2355/2002 regarding Management and Control Systems).
4. The forwarding of information concerning the irregularities to the European Commission as envisaged by article 38 par.1 (e) of Council Regulation 1260/1999.
5. The submission of information irregularities identified to the Managing Authority and the Paying Authority.
6. The submission of necessary information.
7. The retention of documents according to Reg. 2355/2002 and Art.38 (6) of Reg. 1260/1999.

### Staffing

The Directorate of Internal Audit, which undertakes the functions of the Independent Internal Audit Service, is staffed both with certified accountants and with university graduates.

The new Independent Internal Audit Service is programmed to have a separate unit, which will be exclusively responsible for the audit of funds that will be granted by the European Union.

## **7.3. MONITORING ARRANGEMENTS**

### 7.3.1. Monitoring Committee

The monitoring of the Programme is the primary responsibility of the Monitoring Committee, which will be officially established within three months



of the decision of the European Commission for the approval of the CI EQUAL, in accordance with article 35 of the Council Regulation 1260/1999. The Monitoring Committee will operate also within the framework of the national institutional and legal system.

### Composition

The Chairman of the Monitoring Committee of the Programme is the Permanent Secretary of the Planning Bureau. The Monitoring Committee is composed of representatives from:

- The Managing Authority of the SPD,
- The Paying Authority,
- The Internal Audit Service,
- The Ministry of Labour and Social Insurance, the Ministry of Education and Culture, the Ministry of Interior, the Ministry of Justice and Public Order, the Human Resource Development Authority and other relevant Ministries/services/bodies of the broad public sector.
- The Union of Municipalities and the Union of Communities of Cyprus,
- The Economic and Social Partners
- The representative non-governmental organisations

The composition of the Monitoring Committee, to the extent possible, will have a balanced participation of men and women. In the Monitoring Committee, representatives of the European Commission also participate, but without the right of vote. Also, at the meetings of the Monitoring Committee experts on financial, technical, social, scientific and other subjects may be invited.

Monitoring Committee members representing organizations participating in a Development Partnership should not be implied in the selection process in order to avoid any conflict of interest.

## Tasks and Responsibilities

1. Draws up its rules of procedure based on the proposal of the Managing Authority.
2. According to article 15 of Council Regulation 1260/99, it approves the Programme Complement, including the physical and financial indicators which will be used for its monitoring. It also approves any further adjustment/amendment of the Programme Complement.
3. It considers and approves the criteria to be used for the selection of DPs.
4. It reviews on a regular basis the development as well as the progress made towards achieving the specific (and quantified) objectives of the Programme.
5. It examines the results of implementation, especially the achievement of the targets that have been set for the different Measures.
6. It considers and approves the Annual and Final Implementation Reports before they are sent to the European Commission.
7. It examines and approves any proposal to amend the contents of the decision of the European Commission on the contribution of the funds.
8. It may propose to the Managing Authority any amendment or adjustment of the CIP or Programme Complement, in order to contribute to the attainment of the Programme's objectives or improve the programme administration including also the financial management. Any amendment of the Programme will be made in accordance to article 34, par. 3 of Council Regulation 1260/1999.

The Managing Authority of the Programme provides the Monitoring Committee with secretarial support. In order for the Monitoring Committee to

perform its duties, it has the right of access to all information related to the operations of the Programme. More specifically, the Monitoring Committee has the right of access to all the documents concerning the selection of the DPs and their implementation, subject to the national provisions related to issues of confidentiality.

## **7.4. FINANCIAL ARRANGEMENTS**

### **7.4.1. Paying Authority**

The Treasury of the Republic of Cyprus has been designated as the Single Paying Authority (as defined in Article 9 of Council Regulation 1260/99) for all the Programmes of the Structural Funds and for the Cohesion Fund by the Decision of the Council of Ministers with No. 55.114 and dated 12.2.2002. The tasks of paying Authority have been approved by the Council of Ministers in its Decision dated 30.4.2003.

#### Tasks/Responsibilities

The Paying Authority (PA), in accordance with article 32 of Regulation 1260/1999, will be responsible for:

1. Submitting applications for payment to the Commission, three times per year with the last application each year being presented no later than October 31<sup>st</sup> in accordance with Article 32(3) of Regulation 1260/1999.
2. Ensuring that the final beneficiaries receive payment of their contribution from the Funds promptly and in full, as quickly as possible in accordance with Article 32(1) of Regulation 1260/1999.
3. Preparing applications for payment and certificate and statement of expenditure in accordance with Article 9 of Regulation 438/2001 (amended by Regulation 2355/2002 regarding Management and Control Systems).

4. Submission of interim payment applications to the Commission, which will be accompanied by a detailed statement of expenditure at a Measure level. The PA will certify the applications provided and will ensure compliance with the conditions and requirements specified in Article 32(3) (a-f) of Regulation 1260/1999. Towards this, the PA will require the Managing Authority to certify that the above mentioned conditions have been fulfilled, before it can accept a payment request.
5. Submission of the claim for the final balance within the time frame specified and subject to the requirements of Article 32(4) of Regulation 1260/1999 (the required winding up declaration presented with the final claim will be drawn up by the Internal Audit Service which is functionally independent of both the Managing Authority and the Paying Authority).
6. Submission of updated payment applications forecasts for the current and following year to the Commission not later than April 30<sup>th</sup> each year, in accordance with Article 32(7) of Regulation 1260/1999.
7. Setting up of the information system, in co-operation with the Managing Authority, on how the information will be used (i.e. auditing, certifying, approving) and be processed by the Management Information System (MIS), which will be set up by the Managing Authority.
8. Carrying out second level audits over the Managing Authority, the Ministry of Labour and Social Insurance and the DPs as envisaged in par. 7.2.2.1.
9. Is responsible for the repayment of irregular payments that have been recovered to the Community according to article 8 of Council Regulation 438/2001 (amended by Regulation 2355/2002 regarding Management and Control Systems).
10. Submission to the European Commission quarterly reports on the recoveries that are affected, according to Council Regulation 1681/94. In the last report of the year a statement is attached concerning the sums for

which a recovery is expected, according to article 8 of Council Regulation 438/2001(amended by Regulation 2355/2002 regarding Management and Control Systems).

11. Proceeds to the suspension of payments in case of justifiable suspicion of irregularity, informing simultaneously the third level of audit (Internal Audit Service), the Managing Authority, the MIS, and the DPs. In case of an irregularity, it proceeds to the cancelling of relevant payments following a hearing from the interested parties. The decisions of the Paying Authority, which will have to be justified and be in accordance with the principle of proportionality, can be the subject of administrative and/or judicial appeals.
12. The monitoring and the co-ordination of financial flows and the management of accounts where the credits from the Structural Funds are deposited.
13. The retention of documents according to Reg. 2355/2002 and Art. 38 (6) of Reg. 1260/1999.

#### Organisational structure of the Paying Authority

The PA will be a separate unit of the Treasury of the Republic of Cyprus, which will be divided into two sub-units:

- A. The Financial Management Unit
- B. The Paying Authority Audit Unit

#### A. Financial Management Section

The Financial Management section will be responsible for:

- Preparing and submitting the payment requests to the Commission and their receipt in accordance with Articles 9 and 32 of Regulation 1260/1999.
- Preparing applications for payment and certificate and statement of expenditure in accordance with Article 9 of Regulation 438/2001 (amended by Regulation 2355/2002).
- Ensuring that the DPs receive payment of their contribution from the Funds in full as quickly as possible.
- Submitting to the Commission the updated forecasts of applications for payment in accordance with Article 32(7) of Regulation 1260/1999.
- Submitting to the Commission the quarterly reports regarding the recovery of irregular payments required by Article 5 of Regulation 1681/1994.
- Repaying irregular payments recovered together with interest received on account of late payment in accordance with Article 8 of Regulation 438/2001 (amended by Regulation 2355/2002 regarding Management and Control Systems).

#### B. The Paying Authority Audit Unit

The PA Audit Unit will be responsible for carrying out the second level audits over the Structural and Cohesion Funds and will be responsible for the audit of DPs.

The PA Audit Unit will:

- Decide on the areas that will be audited and the methodology that will be followed.
- Carry out second level audit (see Chapter 7.2.2.1) over the Managing Authority, the Ministry of Labour and Social Insurance and the DPs.
- Evaluate the audit findings and recommend corrective measures.
- Co-operate with the Commission and the Internal Audit Service.

#### 7.4.2. Financial Flow

- Each DP will appoint one of its partners/organisations which are residents in Cyprus and which will administer the public funds. This partner/organisation will verify the eligibility of the expenditures and submit statements of expenditure and payment claims to the National Support Structure (NSS) on a regular basis as specified in the grant letter.
- The NSS receives and verifies the payment claims from DPs to which MA has awarded a contract in the form of a grant letter. All payment claims shall be backed up by invoices or other accounting documents. The NSS recommends to the MA the payment of the claims.
- Once the NSS is satisfied about the correctness of the payment claim proceeds with the execution of the payment from the national budget.
- The payment will be recorded in the accounting system and will be communicated to the MA.
- In the period of 30 days after the payment from the national budget to the DPs and following the Article 4 verification (according to Regulation 438/2001) of the payment claims, MA, with the support of the NSS, will prepare and certify aggregated claims for reimbursement of expenditure supported by required supporting documents and submit them to the Paying Authority.
- The Paying Authority checks the claims for reimbursement of expenditure and submits an application for payment to the Commission.
- The Commission checks the application for payment and pays the corresponding ESF contribution to the Paying Authority.

- Upon authorisation of the claim and payment by the Commission to the Paying Authority, the Paying Authority transfers an amount corresponding to the payments already made using national funds, from the separate bank account in which the EU funds will be deposited to the government general account (the Government of Cyprus Bank Account).
- Payments from the national budget to DPs will not be dependant on the reimbursement from the Commission. The Paying Authority will ensure that DPs will receive payment in full (including the parts corresponding both to the ESF contribution and to the national public co-financing) and as quickly as possible.

The financial flows will be described in more detail, according to Art.5 of the Regulation 438/2001 (amended by Regulation 2355/2002 regarding Management and Control Systems), in the Programme Complement.

## **7.5. THE NATIONAL SUPPORT STRUCTURE (NSS)**

### **7.5.1. Arrangements for the National Support Structure**

The ESF Unit in the Ministry of Labour and Social Insurance (MLSI) has been designated to be the body rendering Technical Assistance services for the CI EQUAL. In addition the MLSI will undertake the tasks, which are delegated to it by the Managing Authority. Such tasks include:

- Provide information and guidance to potential applicants and, later, DPs.
- Prepare and distribute application forms for support under EQUAL.
- Organize the call for proposals.
- Notify successful and unsuccessful applicants of the outcome of the selection.
- Assist the Managing Authority in assessing the Development Partnership Agreements.



- Assist the Managing Authority to develop selection procedures and criteria for the selection of DPs.
- Assist the Managing Authority in assessing applications.
- Assist the Managing Authority in organising an appeals procedure.
- Assist the Managing Authority in assessing the Trans-national Cooperation Agreements, as a part of DPA, involving DPs from other countries.
- Assist the Managing Authority in organising, coordinating and managing national thematic networking groups.
- Organize and deliver seminars and information events and assist the Managing Authority in dissemination.
- Assist in developing and implementing the communication plan.
- Assist in developing and implementing the mainstreaming strategy.
- Retain documents according to Reg. 2355/2002 and Art. 38 (6) of Reg. 1260/1999.

## **7.6. DEVELOPMENT PARTNERSHIPS**

The Development Partnerships are the main tool for the promotion of representative and completed approaches to the issues raised in the thematic fields of EQUAL.

The DPs will bring together interested actors, with relevant competence, who will cooperate to develop an integrated approach to multi-dimensional problems. The partners will work together to develop and test new ways for tackling the factors leading to inequality and discrimination in connection with the labour market, within the chosen thematic field.

The Development Partnerships should not be limited to the implementation of specific measures on equal opportunities, but to the contrary should be directed towards the promotion of the equality objective. This implies that the issues of equality should be endogenous components of the DP, from the

initial formulation, to the final evaluation. In addition, the issue of equality must be embedded in all DPs under each thematic field.

Indicatively, the partners in each DP will cooperate to:

- Jointly determine the strategy they will follow
- Implement innovative approaches
- Participate in the dissemination of good practices
- Mainstreaming the results in core policies

Depending on the thematic field, a DP could include partners from the wider public sector, the local authorities, public bodies and private organizations, training organizations, enterprises (in particular SMEs), professionals, clubs, social partners, locally organized entities, and non-governmental organizations.

Each DP must have arrangements for ensuring that the administrative and financial responsibilities are handled by a partner which has the capacity to manage and account for public funding.

Further detail on the selection process for DPs will be provided in the Programme Complement.

## **7.7. COMPLEMENTARITY AND COMPATIBILITY WITH COMMUNITY POLICIES**

The complex and multidimensional character of proposed activities under EQUAL, as well as the objective to establish DPs that will include wide spectrum of institutions, create conditions of interconnection and complementarity, regarding the content, with the other Community funded programmes.

In this framework, the national authority will ensure the complementarity of activities preventively, as well as during the implementation of the

programmes. More specifically, all the pre-selected DPs would be asked to declare the projects and the programmes that were funded by the European Union and in which beneficiaries were the institutions that participate in the DP. In addition, the national authority will use the technical assistance to promote complementarity between EQUAL and the other EU funded projects and programmes and to inform all the institutions in order to avoid double financing.

Essential role in the guarantee of complementarity is expected to play the fact that the Planning Bureau constitutes the Single Managing Authority for all the other interventions (SPD of Objective 2, objective 3 and Fisheries as well as Community Initiative INTERREG III) that will be co-financed by the Structural Funds of the EU in Cyprus and in addition is in charge of the coordination of all EU matters in Cyprus.

Finally, the composition of the Monitoring Committee for the CIEQUAL, includes representatives from all relevant partners, ensures complementarity.

#### 7.7.1. Compatibility with Community Policies

According to Article 12 of Council Regulation 1260/99, the operations that are financed by the Structural Funds must be in conformity with the provisions of the Treaty, with the instruments established under it, the measures required by the *acquis*, and with the Community policies, including the rules on competition, the award of contracts, the protection of the environment, the elimination of inequalities, as well as promotion of equality between men and women.

The compliance with the above Community legislation and policies will be verified within the framework of DP selection in each Measure of the Programme as well as during their implementation through monitoring and audit of operations that are approved.

The Managing Authority of the Programme, with the support of the responsible authorities for the relevant policies, is responsible for informing the DPs about the provisions of the relevant National and Community legislation. In order to ensure their strict compliance it will issue relevant guidelines.

For the prevention of non-compliance with the Community legislation, as well as avoidance irregularities, the Managing Authority will conduct controls before the approval of the DPs so as to ensure the conformity with the above policies.

The Managing Authority, in the context of the decision for approval of an operation, will draw the attention of the Development Partnerships to their obligations that arise from the national and Community legislation. Compliance with these provisions constitutes a pre-condition for the granting of the co-financing Decision.

#### 7.7.2. Compatibility with the Single Programming Document for Objective 3

The Single Programming Document (SPD) for Objective 3 complements the Community Initiative EQUAL strategy through the promotion of equal opportunities for access to the labour market for all, especially for those threatened with social exclusion and through the promotion of access of women to the labour market (Priority Pillar 1: Development and Promotion of Active Labour Market Policies). Also, the enhancement and modernization of the Public Employment Services can assist in the elimination of inefficiencies and imbalances in the labour market and the social integration of the job-seekers that belong to vulnerable social groups. There is hence, clear and significant complementarity between the SPD for Objective 3 and the Community Initiative EQUAL Programme.

The following table illustrates the correspondence between the measures of the CIP EQUAL and the SPD for Objective 3.

<b>SPD For Objective 3</b>	<b>CIP EQUAL</b>		
	<b>Facilitating access and return in the labour market</b>	<b>Reconciliation of family and professional life</b>	<b>Helping the integration of asylum seekers</b>
<b>Enhancement and modernization of the public employment services</b>	<b>EQUAL will promote collaboration and networking between employment support structures</b>		
<b>Strengthening of activities to adapt the skills of the new entrance, the unemployed and the employed to labour market needs</b>	<b>EQUAL will concentrate in piloting new innovative approaches and activities in the area of training issues faced by the disadvantaged groups</b>		
<b>Promotion of equal opportunities for access to the labour market for all and especially for those threatened with social exclusion</b>	<b>The Managing Authority will ensure that all activities supported are complementary and that projects similar in character are not funded under both Programmes</b>	<b>The Managing Authority will ensure that all activities supported are complementary and that projects similar in character are not funded under both Programmes</b>	<b>The Managing Authority will ensure that all activities supported are complementary and that projects similar in character are not funded under both Programmes</b>
<b>Promotion of access of women to the labour market</b>	<b>EQUAL will promote awareness of enterprises and employers</b>	<b>EQUAL will promote pilot implementation of new forms of employment</b>	
<b>Utilization of new technologies within the framework of life long learning</b>			
<b>Improvement and reinforcement of secondary and technical and vocational education and training</b>		<b>EQUAL will promote the design of educational packages aiming at the elimination of stereotypes for the role of two sexes in family</b>	

## 7.8. REPORTING

Certain homogeneity in the annual reports of the various Member States is desirable for the good monitoring of the overall implementation of the Initiative and to co-ordinate the networking efforts at national and European levels.

The quantitative minimum common data concerning implementation, to be transmitted at the time of the annual report, will be covered by the

transmission to the ECDB (Annex E). The other relevant indicators of situation, result or impact, as anticipated by the CIP, will also be communicated, by means of the annual report.

Insofar as the implementation of EQUAL will be progressive, a common format cannot be determined in advance. Each year, in good time, a common structure for the annual reports will be determined in close co-operation between the Commission and the representatives of the Managing Authorities. This common structure by no means prevents the Managing Authority and the Monitoring Committee from adding to it any elements that it will judge relevant.

## **7.9. INFORMATION AND PUBLICITY**

### **7.9.1 Description of provisions for publicity and information**

The measures of information and publicity concerning the operations of the Structural Funds aim at the increase of the transparency of the activities of the EU and Cyprus. The terms of implementation, the content and the strategy of information and publicity actions, the work of the Monitoring Committees, the implementation of the partnership arrangements and the exchange of experiences, in addition to the envisaged conditions for the application of instruments of information and publicity, are provided in the Council Regulation 1159/2000 "With regard to the actions of information and publicity that should be carried out by the Member States, concerning the interventions of the Structural Funds" ( EU L 130 of 31.5.2000).

The publicity is the responsibility of the Managing Authority. It will be carried out in cooperation with the European Commission, which is notified about the measures that are taken for the achievement of these objectives. The relevant national authorities will take all the appropriate administrative measures in order to ensure firstly the effective application of provisions concerning the

information and publicity regarding the Measures of the Programme and secondly, the smooth cooperation with the European Commission.

The implementation of the actions of information and publicity for the operations of the Programme are suspended two months before the European, national and municipal elections.

The actions of information and publicity serve exclusively the objectives that are envisaged in Regulation 1159/2000 and aim to inform:

- The potential Development Partnerships, as well as the regional, local and other responsible public authorities, the professional organisations and the economic and social partners, the non-governmental organisations (especially the organisations involved for the promotion of equality between men and women and the improvement and protection of the environment), and project agencies/institutions/bodies, in order to guarantee transparency with regard to the prospects for co-funding of operations of the EU and Cyprus.
- The Managing Authority ensures that an appropriate system of dissemination of information is established, which aim at safeguarding the transparency towards the various partners and potential DPs and especially the small to medium-sized enterprises. This information includes explicit information for the proposed administrative procedures, a description of the mechanisms for file management, information related to the selection criteria of DPs and to the appraisal mechanisms, as well as the responsible authorities at the national or local level which could provide details for the operation of the DPs and the selection and eligibility criteria. The Managing Authority is responsible for the dissemination of the aforementioned information to the potential DPs.
- The public opinion with regard to the role of the EU in collaboration with the Member States.

The Managing Authority informs the mass media (including websites, preferably bilingual) in the most appropriate way, with regard to the Measures of the Programme, which are co-financed by the EU. The contribution of the EU should be clearly distinguished (mainly with the reference to the level of the Community contribution to the operations). The press releases should indicate the mission of each Fund contributing to the operation of the Programme. The publications in the form of press releases or advertising announcement will have to mention in simple and comprehensible language for the average citizen, the contribution of the EU. A close co-operation with the Delegation of the European Commission to Cyprus also needs to be established.

#### 7.9.2. Implementation of the Information and Publicity Measures

The measures of information and publicity are presented in the form of a Communication Action Plan that concerns the communication at the level of the present Programme. It is implemented with responsibility of the Managing Authority. Each action plan includes:

- The objectives and the disadvantaged groups
- The content and the strategy of communication and information actions, implied by what is mentioned above, specifying the activities that should take place in the framework of each Fund
- The indicative budget
- The administrative services or organisations that are responsible for their implementation.
- The appraisal criteria that are used for the appraisal of operations.

Emphasis will be given to the setting of the specific objectives to include more target segments/groups of the population. Additionally, emphasis will be given to the utilization of the information and communication technologies (Internet, CD-ROM, etc). The European emblem will have to appear equally with each national emblem (more details are found in Council Regulation 1159/2000). The communication action plan of the Programme will be



included in the Programme Complement according to Council Regulation 1159/2000. The funds that will be committed for information and publicity are included in the funding of the present Programme, in the framework of Priority Axis for Technical Assistance. The Managing Authority within its internal structure will appoint the responsible person(s) for the issues of information and publicity and will inform/notify accordingly the European Commission. In the context of the annual review meeting, which is provided for in Article 34 par.2 of Council Regulation 1260/1999, the Managing Authority informs the European Commission on the progress on the issues on information and publicity, which are envisaged by the relevant provisions.

The Monitoring Committee ensures that there is sufficient information for its operations. In this regard, and with responsibility of its chairman, it informs to the extent possible the mass media on the degree of progress of the Programme for which it has the responsibility.

For significant events that are connected with the meetings of the Monitoring Committee, the high level meetings, or various grand openings, the European Commission and its office in Cyprus are informed.

The Managing Authority may in every case, take additional measures, particularly initiatives that will contribute to the right implementation of the policy that is followed in the context of the Structural Funds. It informs the European Commission for the initiatives undertaken so that it may contribute in the most appropriate way in their implementation. Within the framework of the partnership principle, the European Commission places its experience and its instruments at the disposal of the authorities responsible. It supports the exchange of experiences, which were acquired in the context of application of article 46 of Council Regulation 1260/1999 and provides support for informal networks of the persons in charge of information.

## **7.10. CO-OPERATION WITH THIRD COUNTRIES**

Co-operation under this Programme may also extend to similar projects supported in a non-Member State eligible for funding under the PHARE, TACIS, MEDA or CARDS Programmes.

## **7.11. COMPLIANCE WITH STATE AID LEGISLATION**

### General framework

Within the EQUAL Initiative, activities are carried out by Development Partnerships (DP), which are consortia, or legal entities consisting of several partners that might also include private undertakings, or by the individual partners of a DP. In the framework of the Structural Funds, the Development partnerships are final beneficiaries in the meaning of Regulation 1260/1999.

Article 87 of the EC Treaty prohibits any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods. The EC Treaty, however, allows exceptions to the ban on State aid where the proposed aid schemes may have a beneficial impact in overall Union terms.

Therefore, pursuant to Articles 12, 17.1 and 19.2 of Council Regulation (EC) No 1260/1999, the Managing Authority will hold the overall responsibility for ensuring the compliance of all operations financed under this EQUAL CIP with the provisions of the Treaty as regards State aid.

By and large, grants awarded to undertakings under EQUAL do not constitute any State aid within the meaning of Art. 87.1 of the Treaty, because most of them involve only smaller amounts (and therefore will fall under the "de-

minimis" rule<sup>12</sup>). Where they constitute State aid, as they are intended to facilitate access to work, or reducing risky employment situations for disadvantaged people, they would mostly fall under the block exemption for aid to SMEs<sup>13</sup>, Employment aid<sup>14</sup> or training aid<sup>15</sup>.

The whole of the territory of Cyprus is regarded as an disadvantaged area in the meaning of Article 87 (3)(c) of the Treaty.

## Responsibilities

Compliance with Community policies will be checked on five levels:

- 1) All undertakings participating financially in EQUAL keep track of all respective public funding they have received, and of its respective justification. They are therefore aware of checking compliance with the "de-minimis" rule, if needed.
- 2) For each Development Partnership, the body in charge of administering the public funds, will identify if undertakings are intended to receive financial support under EQUAL, collect the relevant information from them, make a first check of compliance with State aid rules (block exemptions) and include a justification for the envisaged grant(s) in any financial proposal made to the Managing Authority.
- 3) The Managing Authority, as required under Article 34(1)(g) of Council Regulation No. 1260/1999, will ensure that grants to Development Partnerships are only issued if

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<sup>12</sup> Commission Regulation (EC) No. 69/2001 of 12 January 2001 on the application of the Articles 87 and 88 EC Treaty on "de-minimis"-State aid.

<sup>13</sup> Commission Regulation (EC) No.70/2001 of 12 January 2001 on the application of the Articles 87 and 88 EC Treaty on State subsidies to small and medium-sized enterprises as amended by the Commission Regulation (EC) No 364/2004 of 25 February 2004.

<sup>14</sup> Commission Regulation (EC) 2204/2002 of 5 December 2002 on the application of Articles 87 and 88 of the EC Treaty to State aid for employment.

<sup>15</sup> Commission Regulation (EC) No. 68/2001 of 12 January 2001 on the application of the Articles 87 and 88 of the EC Treaty on training aid as amended by the Commission Regulation (EC) No 363/2004 of 25 February 2004.

- a) all relevant information needed for a compliance check has been submitted by the Development Partnership as part of its proposals for funding, or for any modification of the grant under EQUAL;
  - b) the conditions under which the grant is awarded to an undertaking qualify for the block exemptions for employment aid, aid to SMEs, or training aid, or if they comply with the provisions of the "de-minimis"-rule, or, if; or if the grant has been formally approved under the Interim Mechanism laid down in Annex IV.3 of the Accession Treaty where applicable or by the Commission as laid down in Article 88 EC and Regulation 659/1999, and
  - c) in case the "de minimis "rule needs to be applied, the individual undertaking has been informed, before issuing the grant letter, that the support is of a "de minimis" nature and, if the firm has verified and confirmed that all other "de minimis " aid received by them will remain within the threshold and where the Managing Authority has checked that this will not raise the total amount of *de minimis* aid received during the relevant period of three years to above the threshold set out in the *de minimis* threshold or where a central register has been set up, it has been verified that the threshold has not been exceeded.
- 4) The Managing Authority will, as part of its monitoring system, collect all information as regards grants to enterprises for checking compliance with the "de-minimis" rule and the block exemptions. In case the latter cannot be applied, i.e. if individual grants represent aid in accordance with Art. 87(1) the EC, such funding will need to be notified as State aid and submitted to the European Commission for approval.
- 5) The Managing Authority will, in addition, establish a formal consultation mechanism with the Office of the Commissioner for the Public Aid which is the designated national authority for State aid control, and which has established the adequate mechanisms for control of the cumulation of State aid.

Funding under EQUAL granted to undertakings not covered by an exemption regulation or Commission approval is illegal and subject to the consequences set out in the procedural regulation for State aid, and its part-financing would be treated as an irregularity within the meaning of Articles 38 and 39 of Regulation (EC) No 1260/1999.

Consequently, the Commission will not accept requests for interim and final payments under Article 32 of the Regulation for measures being part-financed with new or altered aid, as defined in the procedural regulation for State aid, granted under aid schemes or in individual cases, until such aid has been notified to and formally approved by the Commission.

#### Relevant State Aid rules

The following rules are the most relevant rules for checking compliance with State aid legislation.

**The table below summarises the main provisions only; details have been specified in the actual legal documents referred to above.**

<b>Block exemption</b>	<b>Company characteristics</b>	<b>Scope and EQUAL specific activities exempted</b>	<b>Maximum aid intensity for EQUAL Cyprus exempted</b>	<b>Maximum amount of aid exempted</b>	<b>Further conditions for exemption</b>
"De minimis" rule	All companies, but does not apply to the transport sector and the production, processing or marketing of certain agricultural and fisheries products	no restrictions	100%	€ 100,000 over a rolling 3-year period	No need for notification to the Commission.  Cyprus has already set up a computerized register of de minimis aid, or to inform companies of and check whether an additional aid does not raise the total amount above the ceiling.
Training aid	All companies	training activities which favour firms by reducing costs of training of their employees for acquiring new skills. Costs covered: trainers' personnel costs, travel costs or trainers and trainees, other current expense (material, supplies, etc.), depreciation of tools and equipment used exclusively for mentioned training, guidance and counselling and trainees' personnel costs	Specific training: 30 <sup>16</sup> % Further increases for: SME : 10% Disadvantaged workers:10%  General training: 55 <sup>17</sup> % Further increases for: SME : 20%  Disadvantaged workers:10%	€ 1,000,000	Commission needs to be informed within 20 working days

<sup>16</sup> 25% + 5% (Art. 87 (3) (c) regional increase)

<sup>17</sup> 50% + 5% (Art.87 (3) (c) regional increase).

Aid for employment	All companies	<p>Creation of jobs, recruitment of disadvantaged or disabled people, employing disabled people (additional costs only). Disadvantaged people include young persons below 25 or within 2 years from completing full-time education, migrant workers, members of ethnic minorities, long-term unemployed, unskilled and under-educated, elderly, women absent from working life or ex-prisoners.</p> <p>For conditions include net increase in no of jobs, maximum duration of aid</p>	<p>Job creation: Regional aid ceiling  Recruitment of disadvantaged people: 50%  Recruitment of disabled people: 60%  Aid for additional costs of employing disabled people: 100%</p>	€ 15,000,000 over 3 years for a single enterprise	<p>Commission needs to be informed within 20 working days.</p> <p>Other types of job related support are not exempted (aid for job sharing, aid for other types of disadvantaged workers, ...)</p>
The aid for small and medium-sized enterprises	SMEs with less than 250 employees	Tangible (land, buildings, plant/machinery) and intangible investment (expenditure entailed by technology transfer) and soft aid in SMEs. The costs of services provided by outside consultants and the costs of the first participation of an enterprise in a fair or exhibition are also eligible.	<p>Services by outside consultants and participation in fairs: up to 50%</p> <p>Investment:  Regional aid ceiling  20%+10% for SMEs=30%</p>		Commission needs to be informed within 20 working days

## State Aid Table

This EQUAL CIP provides public funding for three (3) measures. To the extent that undertakings participate in a Development Partnership, the managing Authority will ensure that any grant to such an undertaking will comply with the rules State in the following table:

<b>Measure description</b>	<b>Block exemptions</b>			<b>Other cases</b>	
1. Facilitating access and return to the labour market for those who have difficulty in being integrated or re-integrated into a labour market which must be open to all	Aid for employment	Aid for training	Small and medium -sized enterprises	De minimis rule	Ad hoc notification
2. Reconciling family and professional life, as well as the re-integration of men and women who have left the labour market, by developing more flexible and effective forms of work organisation and support services	Aid for employment	Aid for training	Small and medium -sized enterprises	De minimis rule	Ad hoc notification
3. Supporting the social and vocational integration of asylum seekers.	Aid for employment	Aid for training	Small and medium -sized enterprises	De minimis rule	Ad hoc notification

In conformity with its duties under Article 34(1)(g) of Council Regulation No. 1260/1999, the Managing Authority will keep the above State aid table up-to-date and will inform the Commission of any modification of the table.



## 8. FINANCIAL ISSUES

### 8.1 FINANCIAL PLAN

**Table 8.1: Financing by Priority (in million euro)**

<b>PRIORITY AND MEASURES</b>	<b>TOTAL COST</b>	<b>ESF Contribution</b>	<b>National Contribution</b>	<b>Private Sector</b>
<b>Priority 1: Employability</b>				
<b>TOTAL 1</b>	<b>1,500000</b>	<b>0,750000</b>	<b>0,750000</b>	<b>0</b>
<b>Priority 2: Equal Opportunities For Women and Men</b>				
<b>TOTAL 2</b>	<b>1,500000</b>	<b>0,750000</b>	<b>0,750000</b>	<b>0</b>
<b>Priority 3: Asylum Seekers</b>				
<b>TOTAL 3</b>	<b>0,255000</b>	<b>0,127500</b>	<b>0,127500</b>	<b>0</b>
<b>Priority 4: Technical Assistance</b>				
<b>TOTAL 4</b>	<b>0,362586</b>	<b>0,181293</b>	<b>0,181293</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>3,617586</b>	<b>1,808793</b>	<b>1,808793</b>	<b>0</b>

**Table 8.2: Financing by Priority and Year (in million euro)**

<b>PRIORITY AND YEAR</b>	<b>TOTAL COST</b>	<b>ESF Contribution</b>	<b>National Contribution</b>	<b>Private Sector</b>
<b>Priority 1: Employability</b>				
2004	0,365964	0,182982	0,182982	0
2005	0,466490	0,233245	0,233245	0
2006	0,667546	0,333773	0,333773	0
<b>TOTAL 1</b>	<b>1,500000</b>	<b>0,750000</b>	<b>0,750000</b>	<b>0</b>
<b>Priority 2: Equal Opportunities for Women and Men</b>				
2004	0,365964	0,182982	0,182982	0
2005	0,466490	0,233245	0,233245	0
2006	0,667546	0,333773	0,333773	0
<b>TOTAL 2</b>	<b>1,500000</b>	<b>0,750000</b>	<b>0,750000</b>	<b>0</b>
<b>Priority 3: Asylum Seekers</b>				
2004	0,062164	0,031082	0,031082	0
2005	0,079320	0,039660	0,039660	0
2006	0,113516	0,056758	0,056758	0
<b>TOTAL 3</b>	<b>0,255000</b>	<b>0,127500</b>	<b>0,127500</b>	<b>0</b>
<b>Priority 4: Technical Assistance</b>				
2004	0,089172	0,044586	0,044586	0
2005	0,113862	0,056931	0,056931	0
2006	0,159552	0,079776	0,079776	0
<b>TOTAL 4</b>	<b>0,362586</b>	<b>0,181293</b>	<b>0,181293</b>	<b>0</b>
<b>Total expenditures in year 2004</b>	<b>0,883264</b>	<b>0,441632</b>	<b>0,441632</b>	<b>0</b>
<b>Total expenditures in year 2005</b>	<b>1,126162</b>	<b>0,563081</b>	<b>0,563081</b>	<b>0</b>
<b>Total expenditures in year 2006</b>	<b>1,608160</b>	<b>0,804080</b>	<b>0,804080</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>3,617586</b>	<b>1,808793</b>	<b>1,808793</b>	<b>0</b>

## 8.2. CO-FINANCING

The measures will be co-financed by the Government of Cyprus (50%) and the European Social Fund (50%).

## 9. SHARING OF MONITORING DATA

### 9.1 SHARING OF DATA AT AN EUROPEAN LEVEL

Cyprus will share specific monitoring data by participating in the common electronic system of data collection set up by the Commission for the specific management of the EQUAL Initiative called: "EQUAL Common Database" (ECDB). The objective of this database is to facilitate the trans-national co-operation of the DPs, to stimulate thematic co-operation between key actors at European level and to indicate results and achievements.

Based on an agreement between the Commission and the Member States, specific fields were identified. Set out in Annex D, they constitute the exhaustive<sup>18</sup> list of the common quantitative data to be transmitted at the European level. In addition to monitoring data shared at European level, the DPs are required to transmit further monitoring data needed for programme management at the national level, as described in section 7.3 'Monitoring'. The set of data shared at EQUAL level is summarised in the Annex D.

The Managing Authority will make the necessary provisions in order that the open fields (text fields) are translated at least into English (in addition to the Greek language).

The Managing Authority will collect the physical data from the Development Partnerships on the basis of the methods of data collection in Cyprus. It will transfer the data concerning the Development Partnerships as well as those collected at the level of the programme to the ECDB on the basis of the technical protocols defined by the Commission. These data will be updated continuously by the Managing Authority and will be transferred to the Commission at least once per week.

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<sup>18</sup> Except for financial information included in the "Vademecum for the Plans and Programming documents of the Structural Funds" which will be collected by the SFC database.

The Managing Authority will transmit the data relating to the CIP annual report at least once a year and at the latest on 30 June following the reference year.

The Commission, by means of suitable IT system, will make available on the Internet the information<sup>19</sup> transmitted by the Member States.

## 9.2 COLLECTION OF MONITORING DATA

The Managing Authority will collect the physical data from the DPs using a web-enabled system. The DPs will be responsible to collect physical and financial data for the preparation of the necessary monitoring reports, process this data and forward it to the Ministry of Labour and Social Insurance, using electronic web-enabled forms which will be stored in an intermediate database.

Further details will be supplied in the Programme Complement.

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<sup>19</sup> On the basis of decisions taken in a concerted way, access to certain fields could be restricted.

## **10. EVALUATION**

The competent Authorities of Cyprus and especially the Managing Authority and the European Commission will assemble the appropriate resources and collect data required to ensure that the evaluation can be carried in the most effective manner. In this connection the quality of the quantified objectives and the systematic and timely collection of data for the relevant monitoring indicators have particular importance.

### **10.1. EX ANTE EVALUATION (article 41 of Council Regulation 1260/99)**

The ex ante evaluation, which is the responsibility of the authorities entrusted with the preparation of the Programme, is carried out at the Programme level including the Programme Complement, by external evaluators.

Particular attention was paid to the evaluation of human resources and the cohesion with the European Strategy for the Employment, the National Action Plans for the Employment, the evaluation of environmental impacts and the promotion of equal opportunities between women and men.

The ex ante evaluation of this programme, is attached as Annex E.

### **10.2. ON-GOING EVALUATION (article 40-43 of Council Regulation 1260/99)**

Articles 40-43 of Regulation (EC) 1260/1999 set out the requirements for evaluating the Cyprus Community Initiative Programme.

The evaluation of the Cyprus EQUAL CIP needs to reflect the experimental approach of this Community Initiative and therefore covers not only the classical evaluation dimensions such as relevance, efficiency, effectiveness, utility and sustainability, but also focuses on the processes, support structures and policy delivery systems.

In order to effectively extract the good practice generated and tested under EQUAL and mainstream it, it is essential to maintain an evaluation function in all actions of EQUAL, and an observatory function to integrate experience and evidence generated elsewhere.

Cyprus will therefore

- request that all DPs develop a methodology and apply appropriate mechanisms for on-going assessment of their activities and achievements, including a description of verifiable indicators which demonstrate how the objectives, outputs and results will be measured and assessed, as well as the corresponding methodology and mechanisms for monitoring and assessment of joint activities in the trans-national co-operation;
- carry out an independent on-going evaluation at CIP level, beyond the formal requirements of the Regulation, with a focus on identifying factors contributing to the success (or failure) of innovation, the mainstreaming of results, and sustainability.

EQUAL is about learning. With EQUAL, Cyprus will be entering new ground in terms of governance, policy issues and policy development. An ongoing evaluation will facilitate learning processes amongst all national stakeholders involved, and contribute to capacity building within the public sector. In an innovative, trans-national programme like EQUAL it is important to make use of the 2004-2006 period to build and develop capacity to carry out evaluation of the programmes and to draw lessons for the 2007-2013 programming period.

The Managing Authority will therefore design and carry out an on-going evaluation for the whole period, focussing on the lessons learnt for capacity building, networking, gender mainstreaming, inclusion of minorities, and trans-national cooperation. Details will be described in the programming Complement.

In defining the terms of reference for the on-going evaluation, the Management Authority will apply the Guidelines for monitoring and evaluating EQUAL<sup>20</sup>, synchronise delivery dates, follow a common methodological approach, and focus on common issues in order to exploit synergies between national and EU evaluations.

The evaluation should look both at the policy side, notably the impact of the programme on the labour market context, its policies and practices and the effectiveness of the implementation mechanism in the country. The results from the Development Partnerships evaluation are an important source of information for evaluation.

The first step of the on-going evaluation at CIP level will update the baseline audit presented in this Programming Document. The evaluation will focus on management systems, programme implementation dynamics, monitoring systems, selection procedures and implementation of *Action 1*. A report on these should be foreseen by the end of 2005. The fact that Member States participating in the first round have already carried out an evaluation of the first round could provide some useful lessons for Cyprus to follow. A particular focus on the initial phase of the on-going evaluation will be providing lessons for the future programming period.

The Cyprus evaluation system for EQUAL will ensure that the results from the EQUAL programme will be developed to ensure a continuous feed-back to programme implementation and as a vehicle to contribute to the validation experiences and results from the EQUAL DPs, and to their transfer to the relevant stakeholders and decision-makers.

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<sup>20</sup> "Guidelines for systems of monitoring and evaluation for the Human Resources Initiative EQUAL in the period 2000 – 2006". DG Employment and Social affairs, July 2000; Updated version of key issues for the mid-term evaluation of EQUAL CIP in the Member States, DG Employment and Social Affairs 03/09/2001,



The on-going evaluation will be trusted to independent external experts. These will be selected in compliance with national and EU rules for public procurement. The Managing Authority will issue the call for tender for the on-going evaluation at national level immediately after the adoption of the CIP by the Commission and the adoption of the Programming Complement.

The Managing Authority will also be responsible for collecting of data from DPs for actions 1, 2 and 3, and will make these data available to the evaluators.

The Managing Authority will establish an Evaluation Steering Group to monitor the evaluation process and results at national level. This Steering Group will be composed of representatives of the Managing Authority and the key stakeholders/ members of the Monitoring Committee, and will also include leading national labour market and social inclusion experts. The European Commission will also participate in this Steering Group in the spirit of partnership.

The mandate and composition of this Steering Group will be described in the Programming Complement, as well as the thematic focus, milestones, reporting dates, and the interfaces and linkages between evaluation activities at the level of DPs, and of the EU.

### **10.3. EX POST EVALUATION (article 43 of Council Regulation 1260/99)**

In accordance with article 43 of Council Regulation 1260/99, the ex post evaluation is under the responsibility of the European Commission, in collaboration with the Member State and the Managing Authority.

It will cover the utilization of resources, the effectiveness and the efficiency of the Programme and its impact and shall draw conclusions regarding policy on

economic and social cohesion. It will be carried out by independent external evaluators, and it should be completed at the latest three years after the end of the programming period.

### Analytical List of Partners

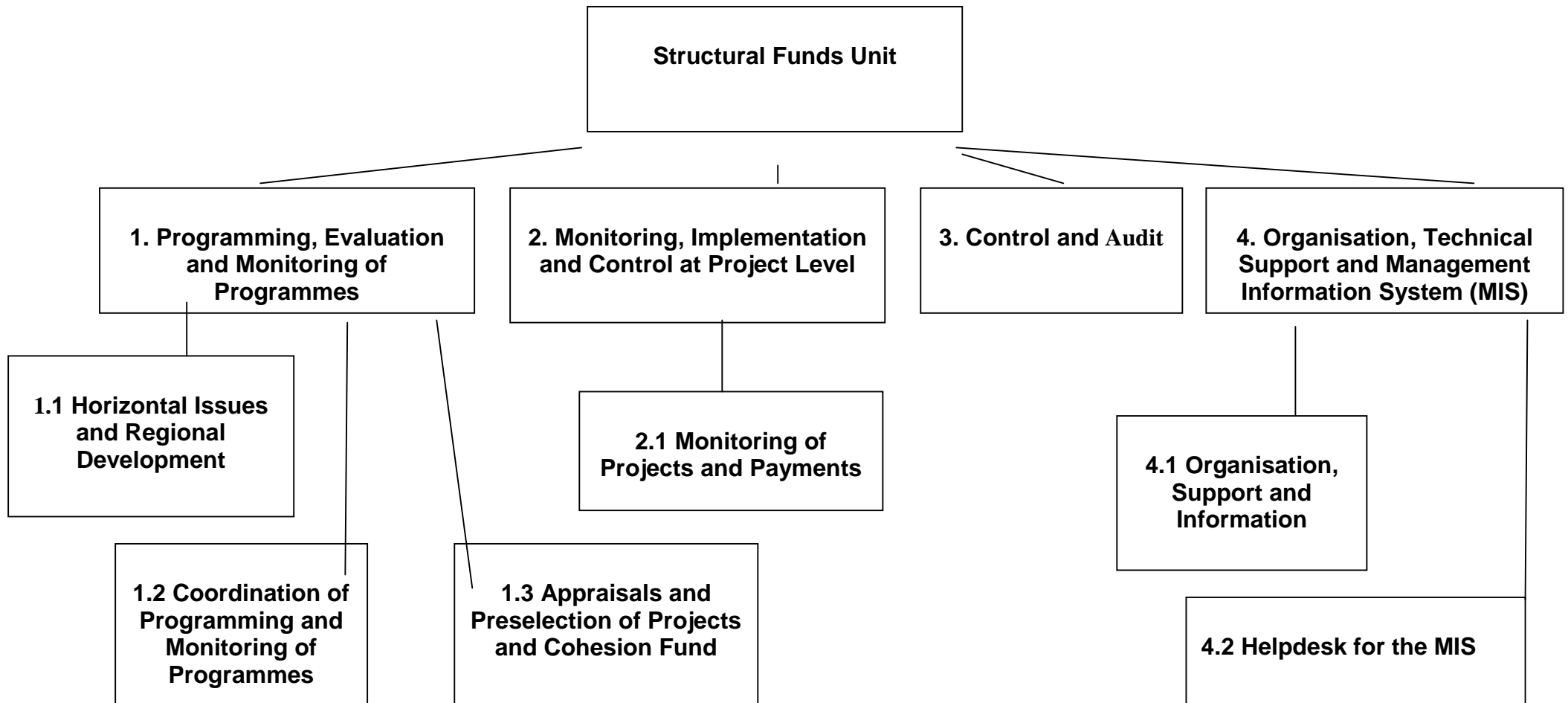
Electricity Authority of Cyprus,  
Cyprus Telecommunications Authority,  
Human Resource Development Authority,  
Cyprus Ports Authority,  
Cyprus Tourism Organism  
Cyprus Airways,  
Cyprus Sports Organization,  
Cyprus Broadcasting Corporation,  
Cyprus Theatre Organization,  
Cyprus Development Bank,  
University of Cyprus,  
Education Council,  
Union of Municipalities of Cyprus,  
Union of Communities of Cyprus,  
Nicosia Sewerage Board,  
Limassol Sewerage Board,  
Larnaca Sewerage Board,  
Paralimni Sewerage Board,  
Ayia Napa Sewerage Board,  
Paphos Sewerage Board,  
Nicosia Water Board,  
Larnaca Water Board  
Limassol Water Board,  
Cyprus Chamber of Commerce and Industry,  
Federation of Employers and Industrialists,  
Youth Organization,  
National Mechanism for the Rights of Women,  
Cyprus Civil Servants Association (PASDYD),  
Pancyprian Workers' Federation (PEO),  
Confederation of Workers of Cyprus (SEK),  
Democratic Workers' Federation of Cyprus (DEOK),  
Cyprus Farmers Union (PEK),  
"Panagrotikos" Farmers Union,  
"Agrotiki" Farmers Union,  
Union of Cypriot Farmers (EKA),  
Cyprus Welfare Council,  
Environmental Council,  
Federation of Ecological and Environmental Organizations,  
Scientific Technical Chamber of Cyprus,  
Cyprus Federation of Professional Craftsmen and Shopkeepers (POVEK),  
Cyprus Petroleum Refinery Ltd,  
Cyprus Institute of Technology,  
Research Promotion Foundation,  
Institute for Energy,  
Institute of Neurology and Genetics,  
Cyprus Stock Exchange,  
Cyprus Medical Association,  
Office of the Commissioner for Telecommunications and Postal Regulations,

Cyprus Consumers' Association,  
Bank of Cyprus Oncology Center,  
American Heart Institute,  
Cyprus Association of Private Hospitals,  
Cyprus Mariculture Association,  
Cyprus Association of Professional Foresters,  
Foresters Association - Graduates of Cyprus Forestry College,  
Cyprus Forestry Association.

**Consultative Committee for Programming**

Union of Municipalities of Cyprus,  
Central Bank of Cyprus,  
Audit Office of the Republic of Cyprus,  
Ministry of Transportation and Works,  
Ministry of Justice and Public Order,  
Ministry of Education and Culture,  
Ministry of Health,  
Ministry of Interior,  
Ministry of Agriculture, Natural Resources and Environment,  
Ministry of Labour and Social Insurance,  
Ministry of Trade, Industry and Tourism,  
Ministry of Finance,  
Treasury,  
Cyprus Ports Authority,  
Cyprus Tourism Organization,  
Electricity Authority of Cyprus,  
Cyprus Telecommunications Authority,  
Human Resource Development Authority,  
University of Cyprus,  
Union of Communities of Cyprus,  
Cyprus Chamber of Commerce and Industry  
Cyprus Federation of Employers and Industrialists,  
Scientific Technical Chamber of Cyprus,  
Youth Organization,  
National Mechanism for the Rights of Women,  
Pancyprian Welfare Council,  
Federation of Environmental and Ecological Organizations,  
Cyprus Civil Servants Association (PASDYD),  
Pancyprian Workers' Federation (PEO),  
Confederation of Workers of Cyprus (SEK),  
Democratic Workers' Federation of Cyprus (DEOK),  
Cyprus Farmers Union (PEK),  
"Panagrotikos" Farmers Union,  
"Agrotiki" Farmers Union,  
Union of Cypriot Farmers (EKA),  
Cyprus Federation of Professional Craftsmen and Shopkeepers (POVEK),  
Cyprus Consumers' Association,  
Office of the Commissioner for Public Aid,

**ORGANOGRAMME OF THE STRUCTURAL FUNDS UNIT AT PLANNING BUREAU (MANAGING AUTHORITY)**



## ANNEX D

### Data shared through the Equal common database (ECDB)

#### A. General information (ongoing information)

<b>FIELDS</b>	<b>Type of data / Items...</b>
A1. <b>Id Codes</b>	European = Country + national ID  <i>Each DP receives a unique code at European level. It is made up of a maximum of 4 letters identifying the Member State and x characters as decided by the Member State.</i>
A2. <b>Status of the application</b>	<i>Indicate the status of the application in MS</i>  Multiple choice <input type="checkbox"/> in selection process <input type="checkbox"/> selected <input type="checkbox"/> trans-national cooperation completed <input type="checkbox"/> DP ended

#### B. Set up of the Development partnership (action 1 - ongoing information)

B1. <b>Dates</b>	<input type="checkbox"/> Application date : date field <input type="checkbox"/> Selection date : date field
B2. <b>Title of the DP</b> National language	Text field – max 80 characters  <i>Simple &amp; short</i>
B3. <b>Title of the DP</b> International characters	Text field – max 80 characters  <i>Latin alphabet without accented letters...</i>
B4. <b>Applicant partners</b>	<i>For each Item, click in the list of the <a href="#">members</a></i>  Concerns DP initiators <input type="checkbox"/> Partner 1 <input type="checkbox"/> Partner 2 <input type="checkbox"/> Partner ...n
B5. <b>DP managing organisation</b>	One choice in the table of the partners  <i>Concerns the partner who has administrative and financial responsibility within the DP. If the DP has its own legal constitution, that structure will be identified in the list of partners. Click in the list of the <a href="#">members</a></i>
B6. <b>Other responsibilities</b>	<i>For each item, click in the list of the <a href="#">members</a></i>  <input type="checkbox"/> Design of the DP strategy and planning <input type="checkbox"/> Co-ordination of experimental activities <input type="checkbox"/> Monitoring, data collection <input type="checkbox"/> Evaluation <input type="checkbox"/> Coordination of Trans-national partnership
B7. <b>EQUAL Theme –</b>	Max 1 choice

	<b>Measure</b>				
		<input type="checkbox"/> Employability - Access to the labour market <input type="checkbox"/> Employability - Combating racism <input type="checkbox"/> Entrepreneurship - Business creation <input type="checkbox"/> Entrepreneurship - Social economy <input type="checkbox"/> Adaptability - Life long learning <input type="checkbox"/> Adaptability - Information technology <input type="checkbox"/> Equal opportunities – Reconciling family and professional life <input type="checkbox"/> Equal opportunities - Reducing gender gaps <input type="checkbox"/> Asylum seekers			
B9.	<b>Geographical/sectoral</b>	Max 1choice <i>Size of the geographical area linked with a Nuts table</i>			
	<b>If geographical</b>	<input type="checkbox"/> Rural area <input type="checkbox"/> Urban area <input type="checkbox"/> Other geographical			
	<b>If sectoral</b>	Max 1choice <ul style="list-style-type: none"> <li>• Economic sector : <ul style="list-style-type: none"> <li><input type="checkbox"/> Agriculture</li> <li><input type="checkbox"/> Industrial</li> <li><input type="checkbox"/> Services</li> </ul> </li> <li>• <input type="checkbox"/> Specific discrimination and inequality problems</li> </ul>			
B10.	<b>DP status</b>	Max 1 choice			
	Legal form	<input type="checkbox"/> Association without legal form <input type="checkbox"/> Non-profit making organisation <input type="checkbox"/> Consortium <input type="checkbox"/> ....			
B10b	Pre-existing partnership	Max 1choice			
		<input type="checkbox"/> No <input type="checkbox"/> Yes ≤ 2 years <input type="checkbox"/> Yes > 2 years Text field : explanation of the pre-existing partnership			
B11.	<b>DP linguistic skills</b>	4 Scroll down menus			
		1° Choice : es/cs/da/de/et/el/en/fr/it/lv/lt/hu/mt/nl/pl/pt/sk/sl/fi/sv 2° Choice : es/cs/da/de/et/el/en/fr/it/lv/lt/hu/mt/nl/pl/pt/sk/sl/fi/sv 3° Choice : es/cs/da/de/et/el/en/fr/it/lv/lt/hu/mt/nl/pl/pt/sk/sl/fi/sv 4° Choice : es/cs/da/de/et/el/en/fr/it/lv/lt/hu/mt/nl/pl/pt/sk/sl/fi/sv			
B12.	<b>DP background in CI</b>	Max 1choice			
		<input type="checkbox"/> One partner involved in ADAPT/EMPLOYMENT/EQUAL 1 <sup>st</sup> Round <input type="checkbox"/> Two and more partners involved in A/E/E <input type="checkbox"/> Nobody involved in A/E/E			
B13.	<b>Rationale for the DP</b>	Rationale for the partnership, assessment of the relevance of the problem addressed, of the solution to be tested. Text field:..			
		Text field: Translation in English and optionally in other(s) language(s) (provided by DP or Member state).			
B14.	<b>Objectives of the DP</b>	Response to the rationale; objectives of the partnership Text field :			
		Text field: Translation in English and optionally in other(s) language(s) (provided by DP or Member state).			
B15.	<b>Nature of the experimental activities</b>	Multiple choice.			
			+	++	++
				+	++
	<input type="checkbox"/> Assistance to persons				



	<input type="checkbox"/> Guidance and counselling <input type="checkbox"/> Training <input type="checkbox"/> Training on work place <input type="checkbox"/> Work placement <input type="checkbox"/> Job rotation and job sharing <input type="checkbox"/> employment aids (+ for self-employment) <input type="checkbox"/> Integrated measures (pathway to integration) <input type="checkbox"/> Assistance to structure and systems and accompanying measures <input type="checkbox"/> Employment creation and support <input type="checkbox"/> Training of teachers, trainers and staff <input type="checkbox"/> Improvement of employment services – Recruitment structures <input type="checkbox"/> Conception for training programmes - certification <input type="checkbox"/> Anticipation of technical changes <input type="checkbox"/> Work organisation, improvement of access to work place <input type="checkbox"/> Guidance and social services <input type="checkbox"/> Awareness raising, information, publicity <input type="checkbox"/> Studies and analysis of discrimination features				

<b>B16.</b>	<b>Innovation</b>	Multiple choice				
			+	++	++	++
		<input type="checkbox"/> Process-oriented <input type="checkbox"/> Goal-oriented <input type="checkbox"/> Context oriented			+	++
		Text field				

<b>B17.</b>	<b>Discriminated groups and fields of discrimination</b>	Multiple choice in each section	<i>In percentage</i>			
		<input type="checkbox"/> <b>Assistance to persons</b>	M	F		
		<input type="checkbox"/> Unemployed <input type="checkbox"/> Employed <input type="checkbox"/> Others (without status, social beneficiaries...)			100	
		<input type="checkbox"/> Migrants, ethnic minorities, ... <input type="checkbox"/> Asylum seekers <input type="checkbox"/> Population not migrant and not asylum seeker			100	
		<input type="checkbox"/> Physical Impairment <input type="checkbox"/> Mental Impairment <input type="checkbox"/> Mental Illness <input type="checkbox"/> Population not suffering from a disability			100	
		<input type="checkbox"/> Substance abusers <input type="checkbox"/> Homeless <input type="checkbox"/> (Ex-)prisoners <input type="checkbox"/> Specific discrimination <input type="checkbox"/> Without specific discrimination			100	
		<input type="checkbox"/> < 25 year <input type="checkbox"/> 25 – 50 year <input type="checkbox"/> > 50 year			100	
		<input type="checkbox"/> <b>Assistance to structure and systems and accompanying measures</b>	+	+	+	+
			+	+	+	+

		<input type="checkbox"/> Age <input type="checkbox"/> Asylum <input type="checkbox"/> Disabilities <input type="checkbox"/> Gender discrimination <input type="checkbox"/> Low qualification <input type="checkbox"/> Racial discrimination <input type="checkbox"/> Religion <input type="checkbox"/> Sexual orientation <input type="checkbox"/> Support to entrepreneurship <input type="checkbox"/> Unemployment				
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<b>B18.</b>	<b>Empowerment</b>				
	1° National partners	Text field: Text field: optionally, translation in English			
	2° Participants - Stakeholders	Multiple choice			
		<input type="checkbox"/> Promoting individual empowerment <input type="checkbox"/> Developing collective responsibility and capacity for action <input type="checkbox"/> Participation in the DP design <input type="checkbox"/> Participation in running and evaluating activities <input type="checkbox"/> Changing attitudes and behaviour of key actors			
		Text field:			
		Text field: optionally, translation in English			

<b>B19.</b>	<b>ESF budget</b>	Max. one choice			
		Total budget for the duration of the DP (ESF + national)			
		<input type="checkbox"/> < 250 000 € <input type="checkbox"/> 250 000 – 500 000 € <input type="checkbox"/> 500 000 – 1 000 000 € <input type="checkbox"/> 1 000 000 – 1 500 000 € <input type="checkbox"/> 1 500 000 – 2 000 000 € <input type="checkbox"/> 2 000 000 – 5 000 000 € <input type="checkbox"/> > 5 000 000 €			
		% of total budget for trans-national activities			

<b>B21.</b>	<b>Trans-national co-operation intended or searched</b>	Multiple choice	+	+	+	+
				+	+	+
					+	+
						+
		- Exchange of information and experiences - Parallel development of innovative approaches - Import, export or adoption of new approaches - Joint development - Exchange of trainees/trainers/staff				
		Text field				
		Text field: Translation in English and optionally in other(s) language(s) (provided by DP or Member state).				

<b>B22.</b>	<b>Trans-national co-operation – Preferences</b>	Multiple choice			
		<input type="checkbox"/> BEfr <input type="checkbox"/> BEnl <input type="checkbox"/> CZ <input type="checkbox"/> DK <input type="checkbox"/> DE <input type="checkbox"/> EE <input type="checkbox"/> EL <input type="checkbox"/> ES <input type="checkbox"/> FR <input type="checkbox"/> IE <input type="checkbox"/> IT <input type="checkbox"/> CY <input type="checkbox"/> LV <input type="checkbox"/> LT <input type="checkbox"/> LU <input type="checkbox"/> HU <input type="checkbox"/> MT <input type="checkbox"/> NL <input type="checkbox"/> AT <input type="checkbox"/> PL <input type="checkbox"/> PT <input type="checkbox"/> SI <input type="checkbox"/> SK <input type="checkbox"/> FI <input type="checkbox"/> SE <input type="checkbox"/> UKgb <input type="checkbox"/> UKni <input type="checkbox"/> no preferences			

<b>B23.</b>	<b>Last update</b>	<input type="checkbox"/> Date field
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### C. Members of the DP (ongoing information)

<b>C1.</b>	<b>Name</b>	Text field
<b>C2.</b>	<b>Acronym</b>	(not compulsory) Text field
<b>C3.</b>	<b>Address</b>	Text field <i>link with postcode (nuts) and country</i>
<b>C4.</b>	<b>Tel</b>	Text field
<b>C5.</b>	<b>Fax</b>	Text field

C6.	<b>Email</b>	Text field
C7.	<b>Web site</b>	Text field

C8.	<b>Type of organisation</b>	Max one choice
		<input type="checkbox"/> Public authority (national, regional, local) <input type="checkbox"/> Enterprise <input type="checkbox"/> Employers' organisation <input type="checkbox"/> Trade Union <input type="checkbox"/> Financial institution <input type="checkbox"/> Chamber of commerce/industry/crafts <input type="checkbox"/> Organisation providing support and guidance for disadvantaged groups <input type="checkbox"/> Employment services <input type="checkbox"/> Social economy enterprise <input type="checkbox"/> Social services <input type="checkbox"/> Education / training organisation <input type="checkbox"/> University / Research organisation <input type="checkbox"/> Consortium created for managing the DP <input type="checkbox"/> Other

C8b	<b>Type of organisation</b>	Description who the national partners are, what they do, their clients, the aim of the partner organisations, methodologies used etc... (not compulsory)
		Text field
		Text field: Translation in English and optionally in other(s) language(s) (provided by DP or Member state).

C9.	<b>Legal status</b>	Max one choice
		<input type="checkbox"/> Public organisation <input type="checkbox"/> Non-profit private organisation (including NGO...) <input type="checkbox"/> Semi-public organisation <input type="checkbox"/> Union, Confederation... <input type="checkbox"/> Co-operative <input type="checkbox"/> Private <input type="checkbox"/> Without legal status

C10.	<b>Contact person</b>	Responsibility	Name	Email	Tel

C11.	<b>Size of the organisation</b>	Max one choice
		<input type="checkbox"/> staff < 10 <input type="checkbox"/> staff 10 – 50 <input type="checkbox"/> staff 50 – 250 <input type="checkbox"/> > 250
		<i>Permanent staff</i>

C12.	<b>Date of joining DP</b>	Date field
C13.	<b>Date of leaving DP</b>	Date field

C14.	<b>Last update on the DP's member</b>	Date field
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## D. Implementation of the work programme (trans-national cooperation completed) (action2 - ongoing information)

D1.	<b>Dates</b>	<input type="checkbox"/> Date of trans-national cooperation completed
D2.	<b>Title of the DP</b>	
D3.	<b>Title of the DP (international)</b>	
D4.	<b>Partners involved</b>	<i>For each Item, click in the list of the <a href="#">members</a></i>

		DP members <input type="checkbox"/> Partner 1 <input type="checkbox"/> Partner 2 <input type="checkbox"/> Partner ...n
D5.	<b>DP managing organisation</b>	
D6.	<b>Other responsibilities</b>	See B
D7.	<b>EQUAL Theme – Measure</b>	See B
D8.	<b>Sub-themes</b>	See B
D9.	<b>Geographical/sectoral</b>	See B
D10.	<b>DP status</b>	See B
D11.	<b>DP linguistic skills</b>	See B
D12.	<b>DP's background in CI</b>	See B
D13.	<b>Rationale for the DP</b>	See B
D14.	<b>Objectives of the DP</b>	See B
D15.	<b>Nature of the experimental activities to be implemented</b>	See B
D16.	<b>Innovation</b>	See B
D17.	<b>Discriminated groups and fields of discrimination</b>	See B
D18.	<b>Empowerment</b>	See B
D19.	<b>Budget</b>	See B

D25.	<b>DP Agreement</b>	Text field : Summary of the DP agreement and, optionally, DP agreement in annexe.
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D25 A	<b>Trans-national partners</b>	Multiple choice
		<i>Click in the list of the Development partnerships (cf. Id Code)</i>
		<input type="checkbox"/> Trans-national partner 1 <input type="checkbox"/> Trans-national partner 2 <input type="checkbox"/> Trans-national partner ...n

## G. Other information for monitoring at DP level (annually consolidated information)

G1.	<b>Discriminated groups and fields of discrimination</b>	Total number of beneficiaries during the year in "person * year" equivalent (1 day=7 hours, 1 week = 5 days, 1 month = 4 weeks, 1 year = 12 month)		
		Multiple choice in each section		
		<i>In percentage</i>		
		<input type="checkbox"/> <b>Assistance to persons</b>	M	F
		<input type="checkbox"/> Unemployed <input type="checkbox"/> Employed <input type="checkbox"/> Others (without status, social beneficiaries...)		
		100		
<input type="checkbox"/> Migrants, ethnic minorities, ... <input type="checkbox"/> Asylum seekers <input type="checkbox"/> Population not migrant and not asylum seeker				
		100		
<input type="checkbox"/> Physical Impairment <input type="checkbox"/> Mental Impairment <input type="checkbox"/> Mental Illness <input type="checkbox"/> Population not suffering from a disability				
		100		
<input type="checkbox"/> Substance abusers <input type="checkbox"/> Homeless <input type="checkbox"/> (Ex-)prisoners <input type="checkbox"/> Other discriminated (religion, sexual orientation) <input type="checkbox"/> Without such specific discriminations				

					100
		<input type="checkbox"/> < 25 year <input type="checkbox"/> 25 – 50 year <input type="checkbox"/> > 50 year			
		<input type="checkbox"/> <b>Assistance to structure and systems and accompanying measures</b>	+	+	+
		<input type="checkbox"/> Age <input type="checkbox"/> Asylum <input type="checkbox"/> Disabilities <input type="checkbox"/> Gender discrimination <input type="checkbox"/> Low qualification <input type="checkbox"/> Racial discrimination <input type="checkbox"/> Religion <input type="checkbox"/> Sexual orientation <input type="checkbox"/> Support to entrepreneurship <input type="checkbox"/> Unemployment			

G2.	<b>Expenditures</b>	Evaluation by the DP of the total amount (ESF and national) spent during the year (rounded 1 000 €):
		Alphanumeric field

G3.	<b>Breakdown of expenditures by experimental activities</b>		<i>Percentage</i>
		<b>I. National activities</b>	
		<input type="checkbox"/> Assistance to persons <input type="checkbox"/> Guidance and counselling <input type="checkbox"/> Training <input type="checkbox"/> Training on work place <input type="checkbox"/> Work placement <input type="checkbox"/> Job rotation and job sharing <input type="checkbox"/> employment aids (+ for self-employment) <input type="checkbox"/> Integrated measures (pathway to integration) <input type="checkbox"/> Assistance to structure and systems and accompanying measures <input type="checkbox"/> Employment creation and support <input type="checkbox"/> Training of teachers, trainers and staff <input type="checkbox"/> Improvement of employment services – Recruitment structures <input type="checkbox"/> Conception for training programmes - certification <input type="checkbox"/> Anticipation of technical changes <input type="checkbox"/> Work organisation, improvement of access to work place <input type="checkbox"/> Guidance and social services <input type="checkbox"/> Awareness raising, information, publicity <input type="checkbox"/> Studies and analysis of discrimination features	
		<b>II. Trans-national activities</b>	
		<input type="checkbox"/> Exchange of information and experiences <input type="checkbox"/> Parallel development of innovative approaches <input type="checkbox"/> Import, export or adoption of new approaches <input type="checkbox"/> Joint development <input type="checkbox"/> Exchange of trainees/trainers/staff	
		<b>Total</b>	<b>100 %</b>

G5.	<b>National and trans-national work</b>	Text field
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G6.	<b>National and European level networking</b>	Text field
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### Ex- Ante Evaluation

#### 1. INTRODUCTION - METHODOLOGICAL FRAMEWORK OF THE EVALUATION

In the context of implementation of the Community Initiative EQUAL, regarding the ex-ante evaluation of the Programme the following general principles are mentioned:

- Development and dissemination of new ways of policies applications for employment.
- Identification of thematic fields, based on the European employment strategy, as priority fields for the improvement of national policies.
- Co-operations and corporate relations with the form of “Development Partnerships”
- Broad and effective dissemination for achieving the maximum possible influence in policy making.
- Complementarity with relevant programmes and policies.

The Programme of the Initiative was formed based on the above context and includes as an inseparable part the ex-ante evaluation, which is presented in this chapter. The aim of the ex-ante evaluation is to contribute to the effectiveness of the Programme and to the strengthening of the broader procedures of implementation, monitoring and evaluation. At the same time, the evaluation contributes to the improvement and enhancement of the final quality of the Programme, through a critical approach attempted in relation to the principles, objectives and the social groups for which it is addressed in the broader social, economic and political environment.

Despite the limited character of interventions and the small amount available for financing the actions of the Initiative in Cyprus, EQUAL constitutes an important pilot programme, which will have a positive effect on strengthening

the European policies, for combating all forms of discriminations and inequalities in the labour market.

In this context, the ex-ante evaluation also contributes to the assessment of the measures and actions of the operational programme in relation to the strategic priorities / options, as well as their complementarity with the relevant national and European policies / programmes.

Finally, the evaluation attempts an independent approach and assessment of the sufficiency of the mechanisms of implementation, monitoring and evaluation of the Initiative Programme, in relation with the objectives of EQUAL and its complementarity with other programmes and policies.

The methodology of the ex-ante evaluation takes into consideration the parameters of the Programme, in conjunction with the methodological contexts recommended by the European Commission and in particular the Chapter “Ex-ante evaluation of the interventions of Structural Funds” as well as on the additional indicative guidelines for the candidate countries (COM (2003) 110 final).

The evaluation procedure is comprised by intercomplementary stages, which are presented in different sections of this chapter. This formulation serves methodologically the evaluative analysis of the programme. Basic working assumption of the evaluation is that “the designing and planning are characterised by coherence at all levels”. As a consequence, the different stages of the ex-ante evaluation are formulated in the context of consistency and causal relations of the Initiative Programme.

It is evident that the designing of EQUAL adopts working assumptions according to which it is expected that the proposed actions will lead to specific results, which will affect respectively the strategies and the general and specific objectives of the planned intervention. It is noted that the relations between designing-planning and results-consequences should be verified

during the course of implementation of the interventions through research, monitoring and evaluation.

The following pillars constitute the main body of the evaluation of the programme. These pillars are analysed and specified in criteria, which are interrelated, function in a complementary way and give the possibility to derive quantified estimates in relation with their results.

**Pillar A:** Designing of the programme in the context of the principles and guidelines of EQUAL.

**Pillar B:** Development Partnerships / Transnationality.

**Pillar C:** Innovation (regarding the operational objectives, the content and the proposed implementation).

**Pillar D:** Mainstreaming (Dissemination and Mainstreaming, Broader Application).

**Pillar E:** Designing based on the needs of beneficiaries, local communities and selected sectors.

**Pillar F:** Selection procedure of proposals, implementation, monitoring and evaluation.

**Pillar G:** Effectiveness of the measures and actions of the Initiative.

The analysis of the above pillars is outlined in section 4 of the chapter of the ex-ante evaluation. The criteria of the evaluation, which essentially constitute the basic issues for the evaluation of the Initiative Programme, both in total as well as in each measure and action, are presented in detail in Appendix A.



## **2. REVIEW OF THE BROADER CONTEXT OF PROGRAMMING**

### General

It would be difficult to support that the interventions attempted in the wider area of labour market as well as in the areas of educational and training policies during the last years were evaluated in a systematic and complete way, based on international standards. The factor that explains this development is the reduced need for evaluation since unemployment and social exclusion are not considered crucial and demanding problems for Cyprus.

However, during the last years various studies and researches for reasons of periodical review of the policies for administrative purposes and for designing new interventions were conducted. Although they do not comply with the strict area of evaluation, they allow, through the collection of indicators and results, for a basic and usually essential estimate of the effects of the applied policies and attempted interventions in the area of human resources. In this context, the following studies are noted:

1. Study on the Social Protection Systems in the 13 Applicant Countries, Cyprus Country Report, June 2002.
2. Cyprus: a Country Monograph on the contribution of VET and LLL Structures / Systems and on Capacity of the Public and Private Employment Services (PES, PRES) to Support the Aim of the national Employment Policies, ETF 2002.
3. An Overview of vocational Education and Training in Cyprus, European Training Foundation, 1999.
4. Recent studies by the Human Resource Development Authority "Panorama of Programmes Offered by the HRDA during 2000", January 2002, "Self-employed in Cyprus at the doorstep of the 21<sup>st</sup> Century", March 2002, "Panorama of Training and Development of Human Resource of Cyprus during 2000", April 2002.

In addition to the above studies, papers such as JAP or JIM as well as sectoral studies by international counseling companies allow for a clear diagnosis for the needs and offer through the listing of problems a first estimate of the consequences of policies. The “body of knowledge” from previous policies is sufficient to support both the analysis of the existing situation as well as the identification of priorities. Most of the benchmark indicators used for the description of the environment of the interventions are also available and widely used. The most important conclusions derived by the available studies, which have a character of evaluation of policies, were taken into consideration for the description of the existing situation attempted in the present Programme.

Finally, the evident lack of use of the available data in analytical context (as opposed to pure descriptive) as well as the completion of the available monitoring data with data for evaluation and information, it is expected to be covered in the future with the participation of Cyprus in the process of designing, planning and implementation of the interventions of structural funds, which is expected to contribute to the development of an evaluation culture.

## Analysis of the Existing Situation

The analysis of the existing situation presented in Chapter 2 of the Initiative Programme is sufficient and compiles at a satisfactory degree the characteristics of the planning context of the interventions. It is focused on the thematic body and the selected priorities for implementation of EQUAL in Cyprus and sets up precisely the data, which characterise this selection.

As regards the developments in the structure of employment, the increase of employment during the 1990s was attributed to services. Women filled the absolute majority of employment posts created. The greater benefits from employment, however, are registered in the first half of the decade. In contrast, during the second half, the rate of increase of employment was lower, a development attributed to the acceleration of the decrease of

employment posts in the secondary sector as well as to the slower increase of employment in services.

Employment of women is concentrated in four sectors and specifically in trade, restaurants and hotels, social and personal services and manufacturing. However, the concentration is lower than the EU average. Despite, the educational level of the labour force increases with high rates (the graduates of tertiary level amount today to 30% as compared to 18% in 1989), the percentage of women in tertiary level lacks behind the one of men (9% as compared to 14%) a development which is in direct relation with the participation of women in the labour force (the participation increases according to the level of education).

As regards the regional dimension of employment, the employment rate is not differentiated between the types of region. The employment rate in urban areas is estimated at 66,6% in 2000, slightly higher than the corresponding one in rural areas (65,3%).

The projected development of the labour force is expected to be positive until 2005. Despite the fact that the Cyprus labour market functions under full employment conditions, inequalities are observed both at the sectoral level as well as at the professional level. To a certain degree, the inequalities observed are covered by foreign labour force. However, in certain sectors where there is a high concentration of immigrants at the same time there is unemployment higher than the average, a fact that implies that the possibility that there is a partial substitution of domestic labour force with foreign labour force cannot be excluded. At the professional level, the most important inequalities are observed in sales people, in services and in the so called “**primary**” professions. The inequalities in Information Technology and Communication are more significant, a fact that is confirmed by a large number of foreign workers employed in these professions in Cyprus.

More specifically, the issues that are related with the choices of the Government of Cyprus for the orientation of the Initiative EQUAL in Cyprus

concern the promotion of women in employment as well as the elimination of all types of discrimination for the people that are in a disadvantaged place in the labour market. In Cyprus, women have particular difficulties entering in the labour market. The phenomenon of unequal level of remuneration between men and women is also widely observed. In this respect, it is noted that there is a particular need for actions aiming at reducing the inequalities regarding the access in the labour market between the two sexes, the reconciliation of family and professional life as well as the elimination of gender gaps and job desegregation. Another issue that is emphasised in the analysis of the existing situation in Cyprus and affects the context of the actions of the Initiative is the urgent need for promoting flexible forms of work, in particular for women as well as for other groups of the economically active population, for an easier reconciliation between the family and professional life as well as the promotion of supportive to the family services, in particular for single parent families.

Other groups that lay outside of the social network and face particular problems entering in the labour market are the immigrants, the asylum seekers, widows, divorced women, elderly who live on their own, disabled, prisoners and released prisoners as well as substance misusers. Problems of poverty and social exclusion, including the exclusion from the labour market, although they do not appear to be intense in Cyprus as compared to other Member States and other Acceding Countries, it is expected that they may intensify in the near future due to pressures by general social changes.

In this context, the issue of promoting equal opportunities in the labour market appears to be related with the need for modernisation of the services of education, training and employment and with the urgent priority for development of services for the vulnerable groups of the population.

## SWOT ANALYSIS

The analysis of the existing situation in Chapter 2 of the Community Initiative Programme allows for an identification of the strategic challenges faced by the

Cyprus labour market and the potential contribution of EQUAL through the implementation of specific development interventions and dissemination of new ways for applying policies in the employment sector in order to confront any form of discrimination and inequality experienced by the people who want to access the labour market or they are already in the labour market.

Strategic objective of the implementation of the Initiative in Cyprus constitutes the development of human resource, the promotion of employment and the promotion of equal opportunities of access in the labour market for all groups of the population.

As derived from the correlation of objectives and needs, the objectives of the Programme correspond to the basic weaknesses identified in the context of the SWOT analysis, with particular emphasis on the most important problems concerning the promotion of equal opportunities, in order to sustain the consistency of the action of EQUAL, with also taking for granted the need for efficient allocation of the limited financial resources of the Initiative.

**Correlation of Subprogrammes of EQUAL with Strengths/ Opportunities– Weaknesses/Threats in SWOT Analysis of the Programme of the Initiative**

<b>Thematic Priorities in EQUAL</b>	<b>Weaknesses / Threats</b>
<b>TP. 1: Improvement of Employability</b>	<ul style="list-style-type: none"> <li>- Lack of labour force and inequalities in the labour market.</li> <li>- Inadequate flexibility in the reorientation of the education and training systems towards the needs of the labour market, in combination with insufficiencies in the vocational guidance systems</li> <li>- High concentration of unemployment amongst the young persons, women and elderly.</li> <li>- Part time employment and new forms of organisation of work remain at low levels.</li> <li>- Delay in the development of active employment measures, which is related to the lack of an adequate network of Public Employment Services.</li> <li>- Inefficiencies in the services for the provisions of equal opportunities for all as well as in the support services for the vulnerable social groups.</li> <li>- High concentration of unemployment to specific groups a development, which threatens for social cohesion.</li> </ul>
<b>TP. 2: Strengthening the policies for equal opportunities for men and women</b>	<ul style="list-style-type: none"> <li>- Lack of labour force and inequalities in the labour market.</li> <li>- High concentration of unemployment amongst the young persons, women and elderly.</li> <li>- Part time employment and new forms of organisation of work remain at low levels.</li> <li>- Changes in the family structure (increase of divorces and single parent families), which need new approaches in the policy design.</li> <li>- Increasing participation of women in the labour market, which, without any compensating policies and measures, turn against women due to their role in the family.</li> <li>- High concentration of unemployment to specific groups a development, which threatens for social cohesion.</li> </ul>
<b>TP. 3: Asylum Seekers</b>	<ul style="list-style-type: none"> <li>- Potential emphasis on phenomena of racism and xenophobia.</li> </ul>

From the correlation of the sub-programmes of the Initiative with strengths / opportunities and weaknesses / threats existing in the Cyprus economy and society and in particular the issue of equal opportunities for access in the labour market derive the following remarks:

- The subprogrammes of EQUAL in total exploit the strengths and opportunities giving particular emphasis on those ones that are exhibited in the sector of social economy, in the services sectors and on the comparative advantages for alternative fields of employment in the primary sector.
- The potentials for development and strengthening of a significant number of organisations involved in the labour market are exploited as well as the mechanisms, which operate for the alleviation of inequalities between men and women.

- The subprogrammes 1 and 2 exhibit increased consistency with the strengths and opportunities.
- All subprogrammes exhibit a dynamic tendency to confront those weaknesses / threats concerning the problems of unemployment (strengthening of employment), qualitative and quantitative increase of the level of involvement of **intervening organisations** in the labour market and to the adoption and promotion of actions with the form of integrated intervention.

In addition, as presented below in the table of consistency between objectives and needs, the total of weaknesses with the exemption of lack of culture of evaluation and the weaknesses of monitoring and collection of the results of interventions are confronted with more than one, from the three different levels, of objective setting.

**Table of Consistency Between Objectives and Needs**

OBJECTIVES		WEAKNESSES						TOTAL
		Deficiencies of labour force and inequalities in the labour market	Inadequate flexibility in the reorientation of the education and training systems towards the needs of the labour market, in combination with insufficiencies in the vocational guidance systems.	High concentration of unemployment amongst the young persons, women and elderly	Part time employment and new forms of organization of work remain at low levels	Delay in the development of active employment measures, which is related to the lack of an adequate network of Public Employment Services	Inefficiencies in the services for the provisions of equal opportunities for all as well as in the support services for the vulnerable social groups	
GENERAL OBJECTIVES	Tackling all forms of discrimination and inequality for the access of the labour market	√	√	√	√	√	√	6
	Facilitating the access and return in the labour market for those who have difficulties in integrating/reintegrating in employment	√	√	√		√	√	5
	Enhancing the adaptability of enterprises and employees to the structural economic changes and to the use of information technology and other new technologies				√	√	√	3
SUBPROGRAMMES	Enhancing the elimination of job desegregation as well as the reconciliation of family and professional life.	√		√	√	√		4
	Improvement of employability	√	√	√	√	√	√	6
	Strengthening of policies of equal opportunities for men and women	√		√	√	√		4
	Asylum seekers						√	1
	Technical Assistance						√	1
<b>TOTAL</b>		<b>5</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>1</b>

### 3. CONSISTENCY OF STRATEGY

#### External Consistency

The external environment in which the Community Initiative EQUAL will be implemented is determined by the context of employment policy of the EU (European Employment Strategy – EES) and the guidelines set in it. The programme of the Initiative is fully harmonized with the policy context analysed in Chapter 3 of the Community Initiative Programme. In addition, the programme is characterised by complete consistency with the SPD for



Objective 3 and corresponds, to a large extent, to the comments of the Commission in the Progress Report for JAP.

It is also estimated that the Initiative Programme is consistent with the following challenges identified in the Joint Inclusion Memorandum (JIM):

- Promotion of the right for employment in particular for vulnerable groups of the population such as women, elderly and disabled through the development of quality employment posts and training programmes.
- Confronting the educational disadvantages effectively, in particular among, disabled, children of families with multiple social problems etc.
- Strengthening of family solidarity with various supportive programmes, which will correspond to the continuing changes of family needs.
- Improvement of the provision of services at the Governmental, non-governmental and private sector through improved mechanisms of co-ordination and flexibility in order to correspond to the current social needs.

With regards to the consistency of the Initiative Programme with other national policies and specifically with the National Development Plan 2004-2006 it is obvious that all general objectives of the NDP to the relevant field of priority (described in section 2.2.1) are reflected to a great extent to the priorities of the Initiative despite the limited pilot character of interventions.

In conclusion, the selection of the strategy and priority pillars for the Community Initiative Programme of EQUAL is considered justified. In parallel, consistency and cohesion also characterises the correlation between the general objectives and the measures of the Initiative as well as their correlation with the corresponding national and community policies.

#### CONSISTENCY WITH THE HORIZONTAL POLICIES OF THE EU

The content of the Community Initiative Programme of EQUAL for Cyprus corresponds, to a great extent, to the horizontal policies of the EU in particular with the ones that are covered by the objectives and priorities of the Initiative. Specifically, as presented in the table below, particular emphasis is given to

the equal opportunities and to combating all types of discrimination in the labour market as well as to the promotion of employment.

### **Consistency of the Community Initiative Programme EQUAL with the Horizontal Policies of the EU**

Subprogrammes	Measure	Total				Rating
		Employment	Equal Opportunities	Competitiveness	Environment	
TP 1: Improvement of Employability	M1.1: Facilitating access and return in the labour market	1	1			2
TP 2: Strengthening the policies of equal opportunities for men and women	M2.1: Reconciliation of Family and Professional life		1			1
TP 3: Asylum seekers	M3.1: Helping the social and professional integration of asylum seekers		1			1
<b>Total</b>		<b>1</b>	<b>3</b>	<b>-</b>	<b>1</b>	

More Specifically, in the area of policy for equality of sexes, the efforts for promoting equal opportunities in Cyprus continued through the modernisation of the legislative context and the introduction of the law for the equal treatment of men and women in employment and professional training. In parallel, it is expected an important legislative innovation, the establishment of a tripartite Committee of Equality between sexes in employment and professional training with advisory character. During the last years the Machinery for the Rights of Women also continued to subsidise women organizations, social partners and other organisations for actions promoting the equality between the sexes, such as conduction of research, organisation of seminars and awareness actions.

In the context of the implementation of the Initiative Programme, the principle of equal opportunities is considered an important objective in combination with the strategy promoted by the SPD of Objective 3. This strategy provides that the promotion of the objective of equality will be done through specific measures but also with the mobilisation of all available policy tools, measures and programmes.

The support of Development Partnerships, which will be activated in this area is expected to have positive results with regards to the mobilisation of inactive women labour force in Cyprus, but also a more general promotion of the issue of equality of sexes and the equal participation of men and women in the labour market.

## INTERNAL CONSISTENCY

For the analysis and evaluation of internal consistency of the programme the following table was formed in which an estimate of the evaluator with regards to both the consistency of the general objectives and priorities as well as the Measures of the Programme.

**Table of Consistency of Operational Objectives (Measures) and General Objectives and Priorities**

Measures	OBJECTIVES								
	STRATEGIC OBJECTIVE	GENERAL OBJECTIVES				SUBPROGRAMMES			TOTAL
	Combating all form of discrimination and inequality in the access for the labour market	Facilitation of the access and return to the labour market those people who have difficulties integrate / reintegrate in employment.	Support of the adaptability of enterprises and employees to the structural changes and the use of information technology and other new technologies	Encouragement of the elimination of professional desegregation as well as reconciliation of family and professional life	Improvement of Employability	Strengthening of policies for equal opportunities for men and women	Asylum Seekers	Technical Assistance	
M1.1: Facilitating the access and return in the labour market	√	√	√	√	√	√			<b>6</b>
M2.1: reconciliation of Family and Professional life		√		√		√			<b>3</b>
M3.1: Support of the social and professional integration of Asylum Seekers	√	√			√		√		<b>4</b>
<b>TOTAL</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>-</b>	

In general, the goal setting of the Programme and the further specialisation of objectives and measures exhibit logic consistency, cohesiveness and complementarity. In addition the Programme is fully consistent with the SPD for Objective 3, which appears to comply fully with the needs of the Cyprus labour market, as identified in the description of the existing situation and the SWOT analysis.

Generally, the Initiative Programme corresponds to combating any form of discrimination in the labour market as well as improvement of employability of the targeted groups. Given the nature of the interventions of the Initiative which mainly promotes projects of pilot character, but also the limited financial

resources available in the context of the current programming period it is obvious that an effort was made to concentrate the goal setting of the measures to areas of high priority for the Cyprus labour market and social development in order not to disaggregate the efforts of organisations, which will form Development Partnerships promoting at the same time issues of priority of the SPD for Objective 3.

The rest of the measures are combined with the general objectives of the Initiative and subprogrammes in a way that all the spectrum of targeted groups of EQUAL are concerned in a way that according to the evaluator it is completely justified and correctly supported with evidence.

The analysis of the information included in the table, shows clearly that the selected measures of the programme are strongly consistent with the objectives and the priorities of the Initiative with exemption the measure for Technical Assistance, which has a special goal to enhance the implementation, registration and evaluation of the interventions of the Initiative Programme.

It is also clear that through the implementation of the actions of the Initiative in Cyprus the enhancement of the organisations activated in the selected areas aiming at the same time to the activation and strengthening of their potentials and experiences in order to be in position to enhance the implementation of similar interventions, of an integrated character, in the future are expected.

The second general objective (Support of adaptability of enterprises and employees to the structural changes and to the use of information technology and other technologies) is covered to a certain extent by the subprogramme 1 (facilitating the access and return in the labour market) and the participation of MEDIA in the development partnerships of the measure is particularly recommended.

The third objective (promotion of the elimination of professional desegregation as well as reconciliation of family and professional life) is covered fully by the measures of the first two subprogrammes of the Initiative and constitutes one of the main objectives promoted in the context of EQUAL in Cyprus.

In general terms, it is evident that the internal consistency of the Initiative is concentrated to actions promoting the integration in the labour market of people who face particular difficulties of access especially women and people who are threatened by exclusion. This is presented as the main focus of support of actions, which will be proposed by the Development Partnerships of EQUAL, which although they are expected to function on a pilot basis they create particular interesting expectations of broader promotion and implementation of interventions.

#### **4. EVALUATION OF THE PROGRAMME PER EVALUATION PILLAR AND MEASURE**

##### EVALUATION OF THE PROGRAMMES PER EVALUATION PILLAR

##### **Pillar A: Assessment of the compliance of the Initiative Programme with the context of the principles and guidelines of EQUAL**

The Initiative Programme is designed in the context of the priority pillars and strategic selections and guidelines of EQUAL. The development of the proposed measures and actions, which also includes the specific objectives directs the activation of organisations in the specific context and presents the importance of activation in the specific thematic fields. The existing situation which is presented in Chapter 2 is combined with the subsequent measures and actions strengthening the thematic orientation. In addition, the way in which development partnerships are presented including transnationality and innovation promote the thematic orientation.

The specific objectives of the Programme which are presented according to the relevant section and measure are compatible with the guidelines of EQUAL. In total, the Programme promotes the prevention and confrontation of discriminations with new approaches at the level of actions and policies, in particular with regards to racism and entrepreneurship. The subprogrammes for employability and adaptability introduce the dimension of new technologies and promote the cooperation of relevant organisations.

The differentiation of the two sexes and the dimension of promotion of equality is embedded to the total programme. Particularly, it is supported by the analysis of Chapter 2, which presents the existing situation as well as by the relevant chapter and measure.

In the context of measures, representative cooperations of organisations, which can contribute to policy making for the achievement of specific objectives at the European, national, regional, local and sectoral level are also promoted. In addition, integrated interventions and co-operation with other programmes and policies, in the context of specific objectives and guidelines included in the measures and actions avoiding disintegration and duplication.

#### Pillar B: Assessment of Development Partnerships and Transnationality

The present programme of the C.I. EQUAL provides the necessary guidelines for the development of the context and incentives based on which organisations, which will participate in Development Partnerships in European and national level can be selected. In addition, the directions throughout the analysis of measures and actions towards the suggested implementing organisations contribute to a clearer context and fields of cooperation as well as to the enhancement of the selection criteria. It is noted that the approaches with regards to development partnerships, in total, include transnationality as an inseparable part. EQUAL in general but also the presented programme encourages and promotes the designing of the programmes, from the beginning, in a parallel way at national and transnational level. The



appropriate conditions and regulations for achieving this are presented and analysed in the relevant chapter.

Finally, networking of organisations in the context of EQUAL or other programmes (in the EU or outside the EU) is promoted to a great extent throughout the analysis of measures.

Basic objective and activity of the development partnership is dissemination of the gained experience / know-how. The analysis of the measures provides ways of dissemination of experience, know-how, results and successful practices at European, national, regional, and/or sectoral level.

Pillar C: Assessment of innovation regarding the operational objectives, content and suggested implementation
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The parallel process of designing the operational programme and the ex-ante evaluation according to the guidelines of the community constitutes a new approach for programming and designing in Cyprus. Particular interesting approaches, which should be monitored during the implementation of the Initiative, constitute the role of the Monitoring Committee as well as the active participation of the involved parties directly and indirectly at all levels of implementation.

The integrated alternative approaches for the support of the targeted groups are also promoted to a great extent. The existing cooperation of measures has a multiple effect to the cooperation at a broader level of confronting

discriminations. The cooperation of different targeted groups secures partly the dimension of the alternative and integrated implementation. Development Partnerships constitute a new dimension of entrepreneurship, which embed transnationality, promote cohesion and could constitute expanded – formal or informal – networks of intervention.

Assessing the analysis of measures and actions it is noted that new methodological approaches, educational tools, applications organisational structures etc which concern the course of implementation and results are proposed.

Moreover the EQUAL Programme promotes the importance of lifelong learning for human resources development, mainly within the framework of the first sub-programme (Improvement of Employability)

With regard to dissemination/spreading /awareness specific guidelines are given by the Programme for innovative approaches, which concern specific measures.

Pillar D Evaluation of the possibility for a wider implementation of the results in actions/policies (mainstreaming)
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The necessity for dissemination and inclusion of the Initiative results, during the whole phase of its implementation, is evident throughout the Programme. Within the evaluation context of the existing situation, the priorities/guidelines/strategic choices of EQUAL and the special objectives per measure/action, it is observed that priority fields for mainstreaming are determined at many levels such as:

- level of Strategy and objectives
- level of implementation methodology
- level of basic factors

- level of actions
- level of wider human resources development mechanism

Indicatively, entrepreneurship, gender equality, employability, the consultancy/orientation services for the unemployed and for the employed, the networks of development partnerships, the life long learning/training, the development/networking of structures, are recommended as priority fields for mainstreaming. Basic factors for the dissemination /inclusion are the bodies and the beneficiaries: social partners, firms, NGO;s, bodies that represent specific target groups, local administration etc.

It is estimated that the Initiative Programme forms a framework for the conversion of new fundamentals into policies. The EQUAL guidelines for the development of new approaches into actions and policies, constitute a basic element of this framework. An important mechanism that could contribute to the dissemination of the conversion of actions into policies are the development partnerships and the networks.

Moreover, the precondition of including the dimension of gender equality in every measure brings about the importance of a combination of horizontal and vertical approaches for securing mainstreaming.

To the successful promotion of the ability for a wider implementation of the results of actions contributes the fact that the bodies who will participate in the development partnership are called upon to deposit a plan for the dissemination, spreading and inclusion, in which they will define their role, their specific actions and implementation procedures. The results are recommended to be systemised on a 6 month basis, to be included in the comprehensive plan for each country and to be given to the European thematic groups.

Pillar E Evaluation of the compatibility of the Initiative Programme with the needs of the beneficiaries, local societies and selected sectors
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The selection and ranking of targets per measure/action is consistent with the analysis of the needs and problems of the Cyprus labour market and human

resources, as these are presented in the Initiative Programme. Consistency and clarity also characterises the targets and the needs identified per sub-programme. In the recommended actions research procedures are promoted, which give the possibility of a more efficient functioning of mechanisms and structures and development of services adjusted to the needs of social groups, local markets and sectors. The procedures for the investigation of needs are enhanced through the Technical Assistance Measure.

The synergy, that characterises the whole Programme secures, by providing guidance, at an initial phase, the avoidance of duplication by other Programmes and policies at the needs level. The operation and the possibilities of the existing mechanisms and structures are also evaluated, as well as those that will be developed within the framework of actions of the SPD for objective 3, so that the new actions operate in a strengthening manner, complementarily or autonomous-thus securing the achievement of the EQUAL objectives. In the policies level, it is directly connected to the National Action Plan and the European strategic framework for Employment. In the specific measures, new alternative fields for developing activities are promoted which could contribute to the creation of new quality employment posts and to the wider social economic development. The indepth investigation of needs could reveal new fields and new employment possibilities.

Finally, it is noted that the allocation of resources is based on the internal ranking of the needs of the beneficiaries within the context of sub programmes. It is recommended that during the selection of the proposals made by the various bodies, the potential directions based on the differentiated needs of sectors and geographical areas, should be taken into consideration.

Pillar F Evaluation of directions for the selection of proposals, implementation, monitoring and evaluation.
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The objectives of the Programme Initiative, the priority pillars set (sub-programmes), the selection of target social groups, the geographical

orientation, the locality of actions, the possibility for developing co-operations, the innovation, the transnationality, the guidelines for the formulation of development partnerships, the enhancement and the mainstreaming as well as the possibilities for a wider implementation, constitute basic parameters of the framework for the creation of criteria for the selection of proposals.

Critical points, distinctive throughout the Programme, which guide the formulation of selection criteria can be considered the following:

- The promotion of the creation of qualitative employment positions (special target)
- The effort to secure complementary policies and actions at all levels
- The support of existing structures and systems, securing their viability and the introduction of systems for their evaluation
- The synergy and effort of avoidance of duplication with other measures and programmes
- The exact definition of innovation and a documentation of its value added.
- The development of corporate relations (development partnerships, transnational co-operations) with a clear orientation on the strengthening of their qualitative parameters, the inclusion of fundamental co-operations with an active content and on the possibilities of influencing policies.
- The implementation of mainstreaming at all stages of the programme
- The possibility of a wider implementation/exploitation of plans

As regards the monitoring and evaluation procedure of the Programmes, the guiding framework is formed and basic mechanisms and systems are envisaged in the Implementation Procedures Chapter.

Pillar G Evaluation of the effectiveness of the Programme's measures and actions

The selection of measures and actions of the Programme Initiative is consistent with the strategic choices and targets of EQUAL, the Programme's

objectives and with the European strategy for employment. The analysis of the content of the measures exploits facts of the existing situation, the existing experience and programmes outside EQUAL. It enhances existing and new mechanisms/structures/systems, it expands possibilities at a local level within a framework of a comprehensive perspective for resolving problems.

The structure and analysis of the measures-objectives, bodies, actions, beneficiaries, eligibility criteria, indicators, expected results- set a framework, which facilitates implementation and evaluation by clarifying and specifying the strategic directions, choices of EQUAL. The proposed synergy, in the whole Programme prevents duplication with other Programmes and policies. Moreover, the dimension of gender equality is included in actions that exhibit a comparative advantage and is taken into account as one additional element of discrimination in the remaining actions.

The proposed measures and actions function complementarily, affect and direct the choices made by the bodies involved regarding schemes, which include actions with value added, systems/mechanisms/structures/partnerships/networks with viability dynamics and an ability to influence policies

## EVALUATION OF THE PROGRAMME PER MEASURE

Priority Pillar: "Improvement of Employability"

The Measure 1.1 is significantly consistent in general with the objectives of the EQUAL Initiative, the objectives of the Programme in particular, as well as with the general national and community guidelines for Employment. The analysis of the Measure, the precision and clarity of the objectives, the actions included and the innovative elements form a global and multidimensional approach, which combined with the identification of the real needs of the beneficiaries could lead to the facing of access and return difficulties in the labour market. The proposed cooperations envisage the participation of the most representative bodies, in relation to the target group they represent or

support, and at the same time exploits the relevant existing bodies/mechanisms, thus promoting networking. The active participation of directly and indirectly, involved bodies is promoted in a documented manner thus predetermining the effectiveness of actions. The measure includes important innovative dimensions, both with regard to its objectives as well as to its proposed actions.

We identify as particularly innovative elements, the promotion of the active and fundamental participation of bodies, the comprehensive and multidimensional involvement of employers, (information, awareness, subsidisation, involvement at all stages of implementation etc), the systematic evaluation of structures and services, the individualized development of services, the combination of pilot training actions with accompanying supportive services, the networking of professional bodies and firms aiming at awareness, information and cooperation and with an emphasis on the exploitation of new technologies. We also identify as innovative elements the exploitation by firms of the advantages and incentives provided for the creation of new employment positions as well as the substantial inclusion of socially vulnerable groups in the labour market environment.

In particular it is noted that special emphasis is attached to:

- a) the upgrading and modernization of the support structures and systems for the employment of disadvantaged groups
- b) the promotion of cooperation and networking of structures and bodies for the support of employment.
- c) The new employment sources, the promotion of voluntary activities and the innovative content of the pilot training actions which are accompanied by complementary supportive services
- d) Specialized programmes for placements with a special provision to flexible forms of employment models for disadvantaged groups
- e) The awareness of the employment factor and the incentives for its participation

The anticipated results are exhibited with clarity, are extended to many levels and in combination with the determination of the effectiveness indicators enhance the mainstreaming dimension. In the beneficiaries groups special consideration is taken regarding the dimension of gender equality. The eligibility criteria give guidelines that have to be specialized systematically with the formulation of selection criteria for the proposals.

## Proposals

- The high value added active participation of beneficiaries at all stages of implementation could be further intensified if in the programmes of enhancing the skills of consultants or in the pilot training and mentoring actions, persons with a high profile from the target groups themselves, are included.
- The differentiation with a greater clarity of entry and re-entry levels, given that different methodological approaches are required.
- The creation of specifications/criteria for the accreditation of the quality of the provided services for the support of employment contributes to the securing of the anticipated impact at an actions and policies level.

Priority Pillar 2: "Equal Opportunities for Men and Women"
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In the Measure 2.1. there is an absolute consistency with the objectives of the EQUAL Initiative as well as with the basic objectives of the Initiative Programme. Particularly interesting is the investigation of the possibilities for the introduction of new forms of employment, new forms of labour market organization and structures to facilitate the access of women in the labour market.

The Programmes objectives are determined in a clear and precise manner. Its basic orientation, the reconciliation of family with working life, through the promotion of friendly to the family, forms of organization of employment and upgrading of the skills of women that have remained for a long period of time outside the labour market emerges fully from the analysis of the relevant



action. The synergy of the measure with the measure of Priority Pillar 1 contributes to its effectiveness.

The innovation is mainly traced at the proposed shapes of cooperation (sectoral, collective bodies, firms) and at the effort for encouraging SME's to implement new organizational shapes.

Particularly,

- a) the effort of experimenting new flexible forms of organization of work gives the ability to improve the productivity of firms and reconciling professional and family life with the precondition that the potential negative consequences on the workers rights (insurance, full employment etc) will be dealt with in an institutional manner. The orientation of the above in the SME's, which face difficulties to adjust, constitutes a positive priority. Moreover, emphasis is attached to the reinforcement of actions for social care.
- b) The problem of implementation institutions emerges and the necessity for the involvement and substantial cooperation of professional bodies with firms for the use of labour rights that secure the combination of professional and family life for men and women is noted. The educational procedures could contribute to the amelioration of social stereotypes on the equality aspect within family and working life.

The determination of effectiveness indicators, eligibility criteria, anticipated results and implementation bodies sets an initial framework of implementation, however, greater specialization is required, enhancement of innovation, exploitation of the European experience and a strong mainstreaming mechanism at a local level for the fulfillment of the measure's objectives.

#### Proposals :

The exploitation of the existing experience from previous actions within the context of promoting gender equality, the strengthening of structures created

through these actions, the expansion of their activities and their networking could contribute to mainstreaming at a local level.

The development of awareness actions for employers, large firms, SME's networks, professional unions, etc for facing problems in the reconciliation of family and professional life and for the creation of supportive services-structures.

Priority Pillar 3: "Asylum Seekers"
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The measure 3.1. is consistent with the guidelines and objectives of the EQUAL Initiative and the operational programme. Even if in Cyprus no particular problems in issues related to asylum seekers are experienced, clear guidelines are given for a collective intervention of the competent bodies in a comprehensive manner, aiming at the enhancement of the existing reception centers as well as for the overall provision of improved services. Moreover a clear connection to sub-programme 1 is observed as well as to other EU programmes with related content.

To the extent that a comprehensive and collective intervention is attempted for the first time it is difficult for any particular innovative approach to exist. It is clear, however, that the measure has been designed on the basis of real needs taking into consideration the specific characteristics and needs of asylum seekers from the Cyprus Republic.

In particular,

- a) an effort is undertaken to improve the reception and distribution environment of asylum seekers in relation to the hygiene conditions, psychological support etc.
- b) the development of actions of a consultative and informative nature for their social inclusion, the support by experts, the cooperation of public bodies with voluntary and non-Government organizations, the learning of the Greek language and their participation in training programmes for the acquisition of basic skills for their better repatriation.

- c) The effectiveness indicators, the eligibility criteria and the proposed implementation bodies enhance the mainstreaming possibilities.

Proposals:

To intensify the mainstreaming dimension, envisaging education and awareness actions of public sector executives.

Priority Pillar 4: "Technical Assistance"
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The measures 4.1., 4.2., 4.3 of the Technical Assistance constitute basic supportive tools and monitoring means of the Initiative Programme at all stages of planning, implementation, evaluation, dissemination, inclusion, exposure, publicity. The proposed actions indicate all actions that are required for a substantial support of schemes and for the consistent implementation of programmes. Elements included in the mainstreaming evaluation section could be used by the technical assistance (national and European thematic groups of experts and intermediaries per country).

The necessity of monitoring, dissemination/spreading and support programmes- at a horizontal and vertical level- as well as the systemisation of results throughout the whole implementation phase is noted. The inclusion of monitoring and evaluation systems per plan within a common framework could facilitate the processing/exploitation of data and the validity of the information/consultancy procedures.

**5. COMPLEMENTARITY AND CONSISTENCY WITH OTHER PROGRAMMING DOCUMENTS**

The Programme for the Community Initiative EQUAL aims at the promotion of pilot development partnerships and the innovative approach to the issue of utilising human resources in social cohesion and equal opportunities conditions. Respectively, the Programme of Objective 3 which is directly related to the goals and objectives of the Initiative, aims at the development and full utilisation of human resources, through the promotion of employment and the qualitative upgrading of human resources.

The contribution of the Community Initiative EQUAL, despite its limited character, is anticipated to be significant within the framework of promoting the utilisation of human capital and equal opportunities in the labour market. The particular value added of the Initiative in relation to the interventions promoted within the context of the Structural Funds Programmes, is expected to be specified with greater clarity during the process of developing the Programme Complement and the detailed description of the promoted actions.

## **6. EVALUATION OF THE FINANCIAL ALLOCATION**

The financial allocation among sub-programmes and Measures of the Initiative Programme, reflects with clarity the intention of the Cyprus Government to use EQUAL for the promotion of innovative actions within the context of the two basic priority pillars, improvement of employability on the one hand and promoting gender equality on the other.

Consequently, 84% of the total cost of the Initiative is equally divided between the two first sub-programmes, a fact that reflects fully the goals of the Programme. Respectively, actions for asylum seekers absorb 6% of the Programmes resources, an amount which is completely consistent with the limited length of this problem in Cyprus. Finally, 10% of the total cost is allocated to actions envisaged within the context of Technical Assistance, an amount considered necessary for covering the needs for the implementation of the Initiative`s particular requirements (e.g. evaluation, support structure etc)

## **7. QUANTIFICATION OF THE ANTICIPATED IMPACT**

After justifying the strategy and the consistency between the strategy, the general objectives and the measures, the quantification of objectives and basic gaps and needs, constitutes a critical procedure as it provides the basis for recording and evaluating the results of the Programme that will follow.

The community regulations envisage in the context of quantification of objectives (strategic and general) and measures, a rational diagram based on a chain of indicators: input-output- results- impact. Based on the methodological framework proposed by the Community, the evaluator presents potential evaluation indicators, classified per intervention field and type of intervention (impact on individuals and impact on structures and systems). The analytical tables of indicators are presented in **Appendix B** and will be used as reference material for setting the realistic evaluation of the Initiative Programmes objectives. More analytically, the following basic evaluation indicators are proposed:

<b>Sub Programme 1 Improvement of Employability</b>	
<b>Measure 1.1. Facilitating the access and return in the labour market</b>	
A. REALISATION INDICATORS (OUTPUT)	Number and characteristics of newcomers beneficiaries Number and characteristics of unemployed beneficiaries Number and characteristics of employed beneficiaries Number of Programmes (type, duration) Number of trainers (specialisation) Number of new structures
B. RESULT INDICATORS	Absolute number and percentage of beneficiaries that are placed in employment, including self employment (sector, profession) Percentage of beneficiaries placed in employment (by category and type of programme) Percentage of beneficiaries that acquire a certificate Increase in the coverage rate of the reference population
C.IMPACT INDICATORS	Decrease in the frictional unemployment rate Decrease of the average duration of unemployment Increase of the labour market participation rate
<b>Sub-Programme 2 : Strengthening equal opportunities policies for men and women</b>	
<b>Measure 2.1. Reconciliation of family and working life</b>	
A. REALISATION INDICATORS (OUTPUT)	Number and characteristics of direct beneficiaries Number of indirect beneficiaries Number of family support structures Number of Programmes
B. RESULT INDICATORS	Percentage of beneficiaries that are placed in employment Increase in the coverage rate of the reference population
C.IMPACT	Increase of the female labour market participation

INDICATORS	rate Decrease of the female unemployment
<b>Sub-Programme 3 Asylum Seekers</b> <b>Measure 3.1. Support of the social and professional inclusion of asylum seekers</b>	
A. REALISATION INDICATORS (OUTPUT)	Number and characteristics of direct beneficiaries Number of support structures Number of Programmes
B. RESULT INDICATORS	Increase in the coverage rate of the reference population
C.IMPACT INDICATORS	Increase of the labour market participation rate of the target group

At this point the particular difficulty expected to be encountered during the filling up of the Table within the context of the evaluation of EQUAL is pointed out, given the limited experience of Cyprus in quantification exercises. It is also reminded that the current programming period is the third one and that in the rest of the Community member states two programming, implementation and evaluation periods have already taken place, which has provided member states with the relevant experience. However, it is expected that the physical indicators will be realistically estimated during the analytical description of the Programme's operational objectives, during the phase of developing the Programme Complement.

## **8.ADEQUACY OF THE IMPLEMENTATION SYSTEM**

The implementation and monitoring mechanisms of the Community Initiative EQUAL, follow the national and community legislation, as these have been developed for the implementation of the Programmes to be co-financed by the Structural Funds in Cyprus during the period 2004-2006.

As mentioned in the Programme Initiative, the Managing Authority of the Programme, based on the Council of Ministers of the Cyprus Republic Decision with number 55.114 and date 12.2.2002, is the Planning Bureau, which in conjunction with the Payments Authority (the Treasury of the Republic) and the Monitoring Committee, constitute the basic implementation and monitoring mechanisms of the Community Initiative EQUAL. On the basis of the competencies and the role of the above mechanisms, as these are set

in the report of the Initiative's Programme, a framework of implementation is formed, with significantly decentralised functions and mechanisms, with the possibility of systematic monitoring and evaluation both of the implementation as well as of the results of the actions, with a more precise clarification of the competencies of the involved bodies and with a significant reinforcement from the operation of the comprehensive information system.

Overall, it is estimated that on the basis of the planning of the implementation of the programme, strong elements of systematic monitoring of inputs and outputs of the plans, adequate financial flows, absorption of resources and standardisation of procedures without allowing possible corrective interventions during the evolution of the programmes, are evident.

Regarding the mechanisms and monitoring procedures an operational, transparent and credible system is being formed, which in combination with the upgraded mechanisms and evaluation models as well as with the comprehensive operation of the Comprehensive Information System create a safe framework for the implementation of the C.I. EQUAL.

Finally, regarding innovative approaches and procedures for the inclusion of the results of EQUAL in the national policies (action 3), emphasis is given to securing the results from the dissemination procedures of development partnerships at a local, regional and sectoral level, the networking of development partnerships and the role of the Monitoring Committee in the vertical mainstreaming. The direction of implementation of action 3 from specialised development partnerships as well as the evaluations of procedures favours the development of mainstreaming.

## **9. CONCLUSIONS-PROPOSALS**

The Community Initiative EQUAL comes to enhance with new approaches the European Strategy for Employment and the actions at a local and regional level for facing inequality and discriminations in the labour market.

The national plan of the Programme for the Community Initiative EQUAL, taking into consideration the policies and actions included in the national programmes of interventions in the labour market and in other Programming Documents of the EU Structural Funds, provides the framework for an effective confrontation of discriminations and inequalities that characterise the employment system in Cyprus. It identifies the critical problems of the existing situation and proposes measures and actions, consistent with the principles and guidelines of EQUAL. As significant problems, considers the weakness in a comprehensive and rational confrontation of obstacles in labour market access, the insufficient information, the limited access of vulnerable groups to the existing services and programmes, the mismatching of their qualifications with the labour market needs, the fragmentation of the implemented measures as well as the lack of information/awareness of employers-employees. It also highlights, the possibilities for developing alternative sectors of economy (social economy) and directs the envisaged actions to a horizontal approach of enhancing policies and services for lifting obstacles on the access to employment.

Strong elements of the plan of the operational programme are considered:

- the comprehensive setting of objectives that attempts to include all social groups the Initiative concerns and to point to the most appropriate actions for their support.
- Its relation to the EQUAL guidelines, the synergy between the proposed measures and the complementarity with respective national programmes and policies.
- The innovative approach as a particularly crucial point of evaluation of proposals
- The guidelines for developing, the content and the way of operation of the development partnerships and the transnational cooperations.
- The framework that sets the implementation of mainstreaming and the promotion of equal opportunities for men and women.
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For the enhancement of the effectiveness of the proposed measures and actions the following are recommended:



- A. Adoption of flexible implementation procedures
- B. Clear specification of the context of formulation of the development partnerships, such as :
  - Specifying with clarity the principles and the cooperation framework of the bodies as well as the general and special objectives of the development partnership
  - Specifying the action fields of bodies, the clear distribution of roles and competencies
  - Clarification of the decision taking procedures, thus securing the equal participation of small bodies
  - Clear definition of coordination procedures, internal monitoring and evaluation as well as of internal communication-information mechanisms
  - Promotion of the active participation of beneficiaries at all levels of the development partnership
  - Formulation of a monitoring and evaluation system, within a common framework as well as per thematic field, target group and programme.
  - Formulation of a specific comprehensive strategic plan, for the dissemination and inclusion in policies, of good practices and positive results.
  - Strengthening the effort for systemisation of the research standards (evaluation of secondary elements) and enhancement of research procedures.

Selection criteria of the proposals could constitute the strategy, the objectives, the coverage, the know-how and the negotiation ability of the bodies that participate in the development partnership. The appraisal of their special weight in relation to the possibility to influence and formulate policies is also important.

Finally, we point out that the Community Initiative EQUAL- its objectives and proposed actions-aims at intervening in a pilot and innovative manner in the facing of the discriminations in the labour market. This intervention is limited by the negative characteristics, problems, disfunctionings of the Cyprus labour market and society resulting in certain reservations as to the achievement of

the objectives of EQUAL. The coordinated, systematic and substantial activation of the implementing bodies and the creation of a series of safety nets-procedures, criteria, specifications etc-for the successful transition from theory to practice i.e. from planning to implementation could contribute to this framework.

*Ex-ante Evaluation Criteria*

**Axis A: Design of the programme within the framework of the principles and guidelines of EQUAL**

Evaluation Criteria

1. Assessment of the design on the basis of the priorities and specific objectives of the Programme, in accordance with the strategic choices and guidelines of the Initiative
2. Promotion of prevention and fight against inequalities and discrimination using new approaches, with respect to policies and actions
3. Possibility of access for all social groups to all thematic fields
4. Promotion of sex equality
5. Utilisation of existing experience and existing systems, institutions and mechanisms from previous implementation programmes
6. Promotion of existing relevant policies at european and national level
7. Promotion of integrated actions and interventions within the thematic fields of EQUAL, taking into consideration the existing situation with respect to discrimination/inequalities in the labour market, whilst evaluating the expected socio-economic impact.
8. Promotion of development partnerships at a european, national, regional and sectoral level which provides the opportunity to influence national/european policies.
9. Promotion of the potential for co-operation with relevant european/national programmes and policies
10. Contribution of the proposed measures and actions towards fulfillment of the objectives of the Initiative, safeguarding its principles and priorities

**Axis B: – Development Partnerships/ Transnationality**

Evaluation criteria

1. Definition of guidelines for the development of the framework and selection

criteria for the agencies participating in the development partnership, at a european and national level

2. Promotion of joint design of the programme at the outset, with the appropriate conditions and regulations, in parallel at a national and transnational level
3. Recommendation of specific terms and conditions for the establishment and operation of development partnerships such as: a) development of the principles and framework of co-operation b) definition of objectives of the development partnerships c) selection of the fields of action and allocation of responsibilities amongst the agencies d) definition of the decision-making process e) safeguarding equal participation by small agencies f) development of an action plan in relation to the parameters of time, cost etc.
4. Recommendation of terms and conditions for safeguarding the effectiveness of the development partnerships such as: a) profile definition of the representatives of the agencies b) potential for participation of new agencies or the withdrawal of others, during the course of the programme c) flexible management procedures d) definition of co-ordination, monitoring, information/communication, evaluation procedures e) re-definition of objectives and actions in accordance with the new facts f) promotion of active participation by those benefiting at all levels etc
5. Promotion of networking by agencies that participate in development partnerships within the framework of EQUAL, with agencies that participate in other programmes
6. Provisions for methods of dissemination of experience, technical know-how, results and successful practices at a european, national, regional or/and sectoral level as well as the roles of the co-operating agencies
7. Promotion of co-operation, innovative development and substantial link of the measures at a national and european level

**Axis C: Innovation (with respect to operational objectives, the content and the proposed implementation)**

Evaluation criteria

1. Promotion of innovative approaches with respect to the design procedures, monitoring, implementation and evaluation

2. Utilization of experience and practices from the implementation of similar actions at a national and european level, with new innovative methods
3. Identification of new perceptions with respect to the approach and support of the target groups
4. Promotion of new fields of actions, new methods of fulfilling the objectives and safeguarding the effectiveness of the actions
5. Promotion of new methods of development/operation/networking of the development partnerships
6. Promotion of active participation of all those involved in the measures, beneficiaries and agencies lacking experience in programmes, but could contribute at a policy level.
7. Enhancement of the potential for the diagnosis of needs using new type of research procedures, that promote equal participation by those that constitute the “object of research”
8. Promotion of new methodological approaches, both with respect to the course of implementation of the action as well as to the results/products
9. Promotion of new pedagogical approaches for life long learning as well as for its link to employment
10. Promotion of utilisation of innovative approaches in existing institutions, structures, systems or/and networks
11. Promotion of innovative ways for the transfer/dissemination of results between programmes, target groups, different sectors/ geographical regions and countries.
12. Promotion of new ways of evaluation of results in the development or/ and in the influence of policies.

**Axis D: Mainstreaming (Dissemination and Integration, Wider Implementation)**

Evaluation criteria

1. Definition of priority fields where mainstreaming is possible, at a european, national, regional, local and sectoral level.
2. Provision for the creation of an appropriate framework of conditions and mechanisms for the transformation of the new facts into policies

3. Promotion of dissemination of the new approaches at different fields of action, programmes, target groups, agencies and policies.
4. Specialisation of orientation with respect to the systematisation and composition of the different results, in such a way as to facilitate their dissemination/ integration, at programmes, agencies, policies level etc.
5. Promotion of the development of innovative actions, concurrently at a national and european level, their dissemination and adoption/ adaptation of the new facts that emerge
6. Promotion of the potential for development of a specific integrated strategic plan, for the dissemination and incorporation of successful practices/ results
7. Promotion of the appropriate framework within which the national and transnational agencies can contribute, generally or specifically, in the dissemination and integration
8. Promotion of internet amongst agencies, which should support the operation of mainstreaming at a national level.

**Axis E: Designing in accordance with the needs of beneficiaries, of local societies and selected sectors**

Evaluation criteria

1. Existence of coherence and relevance between established needs and proposed objectives
2. Promotion of research procedures for diagnosing the needs of beneficiaries, local markets and sectors
3. Proposal for the implementation of actions that correspond to the real needs of the target groups, local markets or/ and of selected sectors, avoiding any overlap with other actions/ programmes/policies
4. Utilisation of existing structures, mechanisms and existing knowledge of specific sectors/ geographical regions, for an in-depth understanding of needs and effective design
5. Setting of objectives on the basis of the different needs and characteristics of the two sexes in the design of actions
6. Promotion of actions on the basis of the needs of life long learning
7. Proposal for the allocation of resources by taking into consideration the

specific needs of the beneficiaries, sectors or/ and local markets

8. Development of proposals which take into account the peculiarities and needs of urban – rural areas.
9. Promotion of alternative fields for the development of actions in sectors or regions that reinforce the creation of employment

## Axis F: Procedure for the selection of proposals, implementation, monitoring and evaluation

### Evaluation criteria

1. Clear definition of the framework, on the basis of which the potential for the development of criteria and procedures for the selection of proposals is given, taking into consideration the principles and guidelines of EQUAL
2. Identification of the crucial points that contribute towards the development of selection criteria for the proposals
3. Promotion of the selection of those proposals that lead to integrated interventions, combining the maximum number of parameters, in accordance with the guidelines set by EQUAL
4. Promotion of the selection of those proposals which compliment other programmes and policies, restricting overlapping and waste of resources
5. Promotion of the development of mechanisms and procedures for the monitoring of designs, at a horizontal and vertical level
6. Provision for the development of mechanisms for the technical support of the designs
7. Promotion of the development of an effective system for the monitoring/evaluation of the proposals, which enables the systematisation of results, for their utilisation and dissemination
8. Promotion of innovative methodologies and monitoring/evaluation mechanisms, for networking and mainstreaming at national and european level
9. Design of the financing framework and administrative regulations of the Programme in such a way as to facilitate the effective implementation and monitoring of measures

## Axis G: Effectiveness of the measures and actions of the

## Initiative's programme

### Evaluation criteria

1. Relevance of the content of the measures with the strategic choices and objectives of the Programme
2. Contribution of proposed measures and actions towards the achievement of the objectives of the corresponding thematic fields
3. Contribution of the proposed actions in confronting specific problems of the target groups which they address
4. Sufficiency of the proposed actions and allocation of resources, for the fulfilment of the objectives of each measure
5. Indication of the most suitable agencies for the effective implementation of the actions of every measure
6. Potential for the fulfilment of objectives with integrated multidimensional approaches
7. Support of the analysis of the objectives per measure and of the implementation and complementarity with other measures/programmes/policies
8. Structure and analysis of the proposed measures formulated in such a way as to facilitate the evaluation
9. Integration of the dimension of innovation and sex equality in every measure and action
10. Utilisation of existing experience from national and community programmes, as well as from existing systems/ structures in the analysis of measures
11. Promotion of innovative approaches with respect to the type of proposed actions and their method of implementation
12. Coherence and relevance amongst measures and actions, so as to compliment each other
13. Promotion of active participation of those benefiting from the implementation of the actions
14. Clear added-value of actions and viability of the proposed structures/ systems/ partnerships/ networks etc.



EVALUATION INDICES**A. IMPLEMENTATION INDICES (PRODUCTS)**

SUBPROGRAMME	MEASURE	INDEX	BASE VALUE	OBJECTIVE 2006
SUB.1: Improvement of employability	M1.1: Facilitation of access and return to the labour market	<ul style="list-style-type: none"> <li>• Number and characteristics of new-entrants benefiting</li> </ul>		
		<ul style="list-style-type: none"> <li>• Number and characteristics of unemployed benefiting</li> </ul>		
		<ul style="list-style-type: none"> <li>• Number and characteristics of employed benefiting</li> </ul>		
		<ul style="list-style-type: none"> <li>• Number of programmes (types, duration)</li> </ul>		
		<ul style="list-style-type: none"> <li>• Number of instructors (specialisation)</li> </ul>		
		<ul style="list-style-type: none"> <li>• Number of new structures</li> </ul>		
SUB.2: Reinforcement of policies promoting equal opportunities for men and women	M2.1: Reconciling family and working life	<ul style="list-style-type: none"> <li>• Number and characteristics of those benefiting</li> </ul>		
		<ul style="list-style-type: none"> <li>• Numbers indirectly benefiting</li> </ul>		
		<ul style="list-style-type: none"> <li>• Number of structures for the support of the family</li> </ul>		
		<ul style="list-style-type: none"> <li>• Number of programmes</li> </ul>		
SUB.3: Asylum seekers	M3.1: Support for the social and vocational integration of asylum seekers	<ul style="list-style-type: none"> <li>• Number and characteristics of those benefiting directly</li> </ul>		
		<ul style="list-style-type: none"> <li>• Number of support structures</li> </ul>		
		<ul style="list-style-type: none"> <li>• Number of programmes</li> </ul>		

## B. RESULT INDICES

SUBPROGRAMME	MEASURE	INDEX	BASE VALUE	OBJECTIVE 2006
SUB.1: Improvement of employability	M1.1: Facilitation of access and return to the labour market	<ul style="list-style-type: none"> <li>• Absolute number and proportion of those benefiting through job placements, inclusive of self employment (sector, occupation)</li> </ul>		
		<ul style="list-style-type: none"> <li>• Proportion of those benefiting through job placements (per category and type of programme)</li> </ul>		
		<ul style="list-style-type: none"> <li>• Proportion of those benefiting that obtain a certificate</li> </ul>		
		<ul style="list-style-type: none"> <li>• Increase in the proportion of coverage of the population reference</li> </ul>		
SUB.2: Reinforcement of policies promoting equal opportunities for men and women	M2.1: Reconciling family and working life	<ul style="list-style-type: none"> <li>• Proportion of those benefiting that get job placements</li> </ul>		
		<ul style="list-style-type: none"> <li>• Increase in the proportion of coverage of the population reference</li> </ul>		
SUB.3: Asylum seekers	M3.1: Support for the social and vocational integration of asylum seekers	<ul style="list-style-type: none"> <li>• Increase in the proportion of coverage of the population reference</li> </ul>		

## C. IMPACT INDICES

SUBPROGRAMME	MEASURE	INDEX	BASE VALUE	OBJECTIVE 2006
SUB.1: Improvement of employability	M1.1: Facilitation of access and return to the labour market	<ul style="list-style-type: none"> <li>Decrease in the proportion of frictional unemployment</li> </ul>		
		<ul style="list-style-type: none"> <li>Decrease in the mean duration of unemployment</li> </ul>		
		<ul style="list-style-type: none"> <li>Increase in the proportion of participation in the labour force</li> </ul>		
SUB.2: Reinforcement of policies promoting equal opportunities for men and women	M2.1: Reconciling family and working life	<ul style="list-style-type: none"> <li>Increase in the participation of women in the labour force</li> </ul>		
		<ul style="list-style-type: none"> <li>Decrease in female unemployed</li> </ul>		
SUB.3: Asylum seekers	M3.1: Support for the social and vocational integration of asylum seekers	<ul style="list-style-type: none"> <li>Increase in the proportion of participation of the target group</li> </ul>		